

**TO THE READERS OF PATRICIA AVENUE SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Patricia Avenue School (the School). The Auditor-General has appointed me, L Yao, using the staff and resources of Owen McLeod & Co 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 21, 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 18 May 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board Members are 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.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on page 1 Statement of Responsibility, Members of the Board schedule, Kiwisport note and statement of Compliance with Employment Policy, Analysis of Variance report, cover page and index page, 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.



L Yao
Owen McLeod & Co Limited
On behalf of the Auditor-General
Hamilton, New Zealand

18 May 2023

The Board Members
Patricia Avenue School
20 Patricia Avenue
Hamilton East
Hamilton 3216

Dear Board Members,

Audit Management Letter For The Year Ended 31 December 2022

1. Introduction

We have completed the audit of Patricia Avenue School's (the School) financial statements for the year ended 31 December 2022.

The purpose of this letter is to bring to the attention of those charged with governance the significant matters that arose during the course of our audit and matters of interest as required by *ISA (NZ) 260 Communication with Those Charged with Governance* and other ISA (NZ) standards.

You will appreciate that while our audit is carried out in accordance with the Auditor-General's auditing standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency.

The responsibility for public accountability and the implementation and monitoring of internal and management controls rests with management and the Board Members.

This letter has been prepared for the Board Members and is intended only for use by you. We accept no responsibility to any other party in relation to whole or part of its contents.

2. Responsibilities and Scope in Relation to the Audit

The Board Members are responsible for preparing the financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR) and for implementing appropriate internal controls with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

We are responsible for conducting the 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) (ISA (NZ)) issued by the New Zealand Auditing and Assurance Standards Board, and forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

3. Timing of the Audit

The audit was completed and dated 18 May 2023.

4. Audit Opinion

We have issued our unmodified audit opinion on the financial statements for the year ended 31 December 2022.

5. Going Concern Assumption

The financial statements were prepared on the basis that the school is a going concern. As required by the Office of the Auditor-General, we reviewed this assumption in terms of the criteria set out in the Auditing Standard ISA (NZ) 570. Based on the supporting evidence we concluded that the use of the going concern assumption was appropriate given the School's funding sources and its operating budget for the following financial period.

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6. Management Judgements and Estimates

Under International Standards on Auditing (NZ) we have a responsibility to communicate with management and the governing body the process used by the School in forming particularly sensitive accounting estimates, assumptions or valuation judgements. Overall, we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2022 appear reasonable.

The most significant areas of judgement, assumptions and estimates by management relate to:

- Provision for cyclical maintenance and cyclical maintenance expense
- Depreciation rates to ensure that fixed assets are written off over their estimated useful lives

We are not aware of any other sensitive accounting estimates, assumptions or valuation judgements made by the School.

7. Materiality

In the context of an audit, materiality means, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the level of work to be performed, which items and balances require work and for the evaluation of the financial report. Materiality is initially calculated at the planning stage and has an influence on the level of work we do. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

Auditing Standards do not require us to communicate misstatements that are considered “clearly trivial” and as such, if we identify such misstatements, we will not communicate these to you. We consider “clearly trivial” to be 5% or less of our planned materiality.

8. Probity, Waste and Performance

We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We have tested a sample of expenses for the year, and we did not identify any such items to report. However, we remind you of the importance to remain vigilant in your oversight of school expenditure.

9. Findings Arising from the Audit

School payroll controls

We consider the main risk to the accuracy of payroll payments is transactions being incorrectly processed, because of either fraud or error. The EdPay system relies on schools checking the accuracy of the payroll transactions processed by the school, as this information is not checked centrally.

To ensure the accuracy of payroll payments, our expectation has been that schools had the following key controls:

- effective access controls to EdPay, limiting access to “authorised users”;
- changes to Masterfile data – such as bank account changes, new starters, or payments to non-salaried staff (such as relievers) - have appropriate supporting documentation and are appropriately authorised;
- checking of the fortnightly draft payroll (SUE) report and Novopay Online transactions report for accuracy; and
- review of the final fortnightly payroll (SUE) report by someone independent of staff who has access to EdPay.

Updated guidance on payroll controls is now available

Updated guidance on the controls within EdPay that should be operating at schools has recently been published on the EdPay website. The main change is that the Novopay Online transaction report has been replaced by several reports. To review and approve pay changes the following transaction histories should be saved, checked, and signed, ideally after transactions have been processed and prior to payment:

- timesheet history
- leave history
- activity history.

To ensure controls are effective schools also need to ensure that:

- there is segregation of duties between the processing and approval of payroll transactions;
- access to EdPay is controlled;
- payroll transactions are approved in line with delegations; and
- approvals are appropriately documented.

The guidance and resources on payroll controls for schools are available on the [training page](#) of the EdPay website. They consist of:

- A checklist of best practice payroll controls - [School internal processes and controls – payroll](#).
- A video - [How to use EdPay transaction histories \(for checking and approving transactions\)](#).
- A printable 'how to' guide showing the transaction checking process - [Checking transactions using the activity history and timesheet and leave histories](#).

No current report in EdPay to check and approve Masterfile changes

The online activity history for Masterfile changes, such as bank account and other changes to personal details within EdPay is still in development. The updated payroll guidance (referred to above) does suggest some interim procedures, consisting of taking screen shots of changes and having those approved. However, as this will not provide a list of all changes made, the Board needs to consider how it gets comfort that all changes are made with appropriate authorisation. Without a list of all Masterfile changes that can be approved by a second person (as segregation of duties is required for an effective control), this remains an area susceptible to fraud.

We recommend that the Board ask management for assurance that appropriate controls are in place at the school over payroll transactions, consistent with the updated guidance.

Board Minutes

Board meeting minutes demonstrate to stakeholders that the school/kura and its' board act appropriately and in accordance with legal and contractual requirements. They also document that principles of good governance and informed decision-making are being followed. The minutes should record the following matters:

- Review and approval of the annual audited financial statements;
- Review and approval of the annual cyclical maintenance plan (painting);
- Review and approval of the School Annual Accrual Report (end of year payroll report);
- Review and approval of the budget (including an income statement, balance sheet, and cash flow), budget should include teachers' salary and notional lease;
- Review and approval of monthly financial statements;
- Approval of payments.

We noted the School has not approved the annual cyclical maintenance plan for the financial year. Please ensure that this is reviewed, approved and minuted each year.

Silverdale Normal School Satellite Classroom Capital Works Project

We note that Patricia Avenue School is making a third party contribution to Silverdale Normal School's Block K building replacement capital works project. As this is a unique situation where you are assisting in the funding of buildings on another schools grounds, we want to highlight the need for clarity.

We recommend that there is clear written documentation as to if this contribution by Patricia Avenue School is to be treated as a donation to the Ministry or an investment by the School. There must be a clear agreement between all parties as to the ultimate owner and who is responsible for the insurance, painting and ongoing maintenance of this building.

Internet Banking

We recognise the efficiencies of this system with its key benefits of allowing an easier and prompt method of payment of accounts.

However, there have been a number of cases reported in the media recently, involving internet fraud which highlight the need for close monitoring of this system.

Schools which have, or are considering implementing an internet banking system, should ensure that appropriate payment control procedures are put in place.

Key controls for internet banking include:

- Senior management sets up the supplier accounts and all payments are approved by two signatories.
- Passwords must be kept secure and never shared – they represent the key to your funds.
- Senior management occasionally perform spot checks to verify the bank account numbers of suppliers to ensure that payments have been made to the correct parties.
- Payments are only made on original invoices that have been processed through the creditors system.
- Once a payment is made, the invoice should be cancelled. That is, all paid invoices should be marked as paid and preferably have noted the payment method and date.
- Audit trails of processing should be retained.

Following control systems such as these will help safeguard against fraud or the same invoice being paid twice

Banking Intact

We noted that cash was being taken from locally raised funds received from parents to make petty cash payments before the funds were deposited in the bank.

Although we noted there was a tracking system and no errors were found, there should be a clear distinction between cash received and payments made. The school should consider either starting up a debit card, or withdrawing cash directly after banking cash to top up cash float if they wish to continuing making urgent cash payments.

Sensitive expenditure

The Auditor-General's auditing standards require us to test a sample of sensitive expenditure, and also be alert to matters that may indicate waste, or show a lack of probity or financial prudence. Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to staff additional to the business benefit to the organisation.

The OAG has also identified the following focus areas for auditors to be aware of when carrying out this testing.

Use of Credit Cards

The OAG has observed that many schools have poor controls over credit cards, with many monthly statements not being approved by an independent person. Poor controls increase the risk of misuse of credit cards, including for personal use. This also includes the use of debit cards, fuel cards and overseas currency cards (which are essentially cash).

Expenses incurred by the Chairperson and the Principal

The OAG has also observed that many schools have poor controls over expenses incurred by the Principal and Chairperson, with many invoices not being approved by an independent person. Poor controls increase the risk of misuse of school funds, including for personal use.

We would expect to see 'one-up' approval, meaning review and approval by someone more senior. This means the Board Chairperson must authorise payments on the Principal's credit card and Principal's expenses, and staff credit cards should be approved by the Principal.

What we did

We have tested a sample of expenses for the year, including reimbursements of expenses and credit card expenditure.

What we found

No specific concerns or findings were noted. However, we remind you of the importance to remain vigilant in your oversight of expenditure of the school.

Conflicts of interest – Good practice resources available

The risk of conflicts of interest in small communities, which many schools operate in, is inherently high, because the Board, Principal, and other employees are often living in the same communities their school services. There is a particular risk of conflict in the decision-making processes used to appoint new employees and contractors, as well as the purchase of goods and services. However, having a conflict of interest does not necessarily mean you have done anything wrong, what is important is how the conflict is managed.

The Office of the Auditor-General have a good practice guide on managing conflicts of interest as well as other resources, available on its website. We encourage you to make use of these resources.

Publishing Annual Reports on-line

The Education and Training Act 2020 requires you to publish your Annual Report on-line. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees and Kiwisport statement.

Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time. We note that you did not publish your 2021 Annual Report on your website.

Please ensure that once your 2022 Annual Report is submitted to the Ministry it is also published on your website. If you do not have a website, you can contact the Ministry of Education at planning.reporting@education.govt.nz, who can publish it on your behalf on the Education Counts website.

10.Adjusted and Unadjusted misstatements

Please find attached Appendix 1 lists adjusted misstatements found during the course of our work.

There were no unadjusted misstatements.

11.Key Financial Statement Audit Risks and Issues to be Communicated

<i>Key Matters</i>	<i>Responses</i>
Revenue Recognition	We documented the revenue systems, carried out appropriate controls testing and substantive audit procedures to address the risk of fraud in revenue recognition. We did not identify any material errors in relation to revenue recognition, whether due to fraud. However, we have made some recommendations in this letter.
Locally Raised Funds	We documented the system on Locally Raised Funds, assessed the control environment and completed analytical audit procedures to address the risk of material misstatements around the completeness of locally raised funds due to its nature-often being cash. We have not identified any material misstatements, due to fraud. However, we have made some recommendations in this letter.

Payroll	<p>Payroll is processed by EdPay. The reliability of payroll processing is dependent on appropriate approval of payroll changes, checking of the fortnightly SUE report and review of School Annual Accrual Report (SAAR).</p> <p>We have discussed with management and documented controls on payroll, carried out control testing, analytical procedures and substantive audit procedures to address the risk identified on payroll. We have not identified any material misstatements in payroll, whether due to fraud or error. However, we have made some recommendations in this letter.</p>
Cyclical Maintenance Provision	<p>Cyclical Maintenance is an area of judgement and could lead to material misstatement in the financial statements. For schools to be able to calculate the appropriate provision a painting plan needs to be prepared and/or reviewed by a suitably qualified person.</p> <p>We have obtained and reviewed the School's Plan and assessed that the provision at balance date is reasonably correct. However, we have raised some recommendation in this letter.</p>
Management override	<p>We have discussed with management controls on expenditure authorisation, tested manual journals, reviewed accounting estimates and significant transactions that are outside the normal course of business to address the presumed significant risk on management override.</p> <p>We have not identified any instances of management override. However, we have made some recommendations in this letter.</p>
Qualitative Aspects of Accounting Practices	<p>The accounting policies used by the entity are consistent with the previous year. We reviewed the accounting policies, accounting estimates and financial disclosures, we believe that these are appropriate.</p>
Significant difficulties	<p>During the audit, we encountered no significant difficulties.</p>
Disagreements with Management	<p>We have had no disagreements with management during our audit nor have we had any serious difficulties in dealing with management.</p>
Written management representations	<p>We received the standard signed representation letter for the year ended 31 December 2022. No other specific representations were requested.</p>
Other information	<p>No material inconsistencies or misstatements were identified relating to the other information in the financial statements.</p>
Other Significant matters	<p>No other significant matters were raised from the audit.</p>
Auditor Independence	<p>We reaffirm we are independent of your organisation, and that we have no relationships with your organisation that impairs our independence.</p>
Going Concern	<p>No material uncertainties related to going concern were noted.</p>
Non-compliance with Law or regulation	<p>We have not identified any instances of noncompliance with Law or regulation.</p>
Significant deficiencies in internal control	<p>No significant deficiencies in internal control were noted, however we have made some recommendations in this letter.</p>
Fraud	<p>We have not identified any instances of fraud involving senior management or any other frauds that have caused material misstatement in the financial statements.</p>
Significant Risks	<p>We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.</p>

12. Conclusion

We remind the school to submit a single PDF file of your annual report, including audited financial statements and required signatures to the Ministry of Education via the Ministry's [School Data Portal \(external link\)](#). These audited accounts must be minuted at your next Board Members' meeting.

Please advise us in due course of the actions you propose to take in relation to the matters raised in this letter.

We wish to acknowledge the friendly assistance provided by your staff during the audit. If there is any further information you require, please do not hesitate to contact us.

Yours faithfully
Owen McLeod & Co Ltd



Liyan Yao

Patricia Avenue School

Year ending 31 December 2021

Appendix 1

To adjust Cyclical maintenance provision to align with Carus quote

Code	Name	Group	Debit	Credit
	Cyclical maintenance provision - current	liabilities/ equity	-	40,246.00
	Cyclical maintenance provision - term	liabilities/ equity	2,483.00	-
	Cyclical maintenance provision	expenses	37,763.00	-
			40,246.00	40,246.00

To align school lunches with final report

Code	Name	Group	Debit	Credit
	Government Grants - MOE	income	-	7,376.00
	Healthy School lunches	expenses	7,376.00	-
			7,376.00	7,376.00

to bring in bank staffing underuse

Code	Name	Group	Debit	Credit
	Staff banking underuse	assets	224,003.00	-
	Teachers salaries grant	income	-	224,003.00
			224,003.00	224,003.00

To classify the Silverdale classroom as Work in Progress until build has been completed

Code	Name	Group	Debit	Credit
	Work in Progress	assets	304,348.00	-
	Buildings improvements	assets	-	301,687.00
	Buildings improvements (crown) - depreciation	expenses	-	2,661.00
			304,348.00	304,348.00

To show ORS wages and expenses separately

Code	Name	Group	Debit	Credit
	Employee benefits Salaries - ORS	expenses	3,762,393.00	-
	ORS	expenses	-	3,762,393.00

3,762,393.00 3,762,393.00

PATRICIA AVENUE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 1891

Principal: Andrea Neil

School Address: 20 Patricia Avenue, Hamilton East

School Postal Address: P O Box 506, Waikato Mail Centre, Hamilton, 3240

School Phone: 07 856 9350

School Email: steph.jackson@patave.school.nz

Accountant / Service Provider:

Education  Services.
Dedicated to your school

PATRICIA AVENUE SCHOOL

Annual Report - For the year ended 31 December 2022

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	Kiwisport / Statement of Compliance with Employment Policy
	Analysis of Variance

Patricia Avenue 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.

Leathan AWESOME

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

15 MAY 2023

Date:

Andrea Clare Neil

Full Name of Principal

[Signature]

Signature of Principal

12-5-23

Date:

Patricia Avenue 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	10,756,112	9,155,286	9,995,402
Locally Raised Funds	3	41,932	70,000	121,171
Interest Income		55,046	20,000	12,769
Gain on Sale of Property, Plant and Equipment		1,739	-	-
		<u>10,854,829</u>	<u>9,245,286</u>	<u>10,129,342</u>
Expenses				
Locally Raised Funds	3	17,129	5,000	8,702
Learning Resources	4	8,830,810	8,303,367	8,378,739
Administration	5	550,328	270,800	359,587
Finance		7,131	1,308	4,811
Property	6	726,865	746,555	589,794
		<u>10,132,263</u>	<u>9,327,030</u>	<u>9,341,633</u>
Net Surplus / (Deficit) for the year		722,566	(81,744)	787,709
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>722,566</u></u>	<u><u>(81,744)</u></u>	<u><u>787,709</u></u>

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



Patricia Avenue 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		5,388,589	4,532,573	4,587,549
Total comprehensive revenue and expense for the year		722,566	(81,744)	787,709
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	13,331
Equity at 31 December		6,111,155	4,450,829	5,388,589
Accumulated comprehensive revenue and expense		6,111,155	4,450,829	5,388,589
Equity at 31 December		6,111,155	4,450,829	5,388,589

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.



Patricia Avenue 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	1,207,322	477,651	1,303,254
Accounts Receivable	8	682,157	669,128	617,588
GST Receivable		72,945	-	22,279
Prepayments		24,294	21,937	22,145
Investments	9	2,503,907	-	2,000,000
Funds Receivable for Capital Works Projects	16	75,332	-	155,804
		<u>4,565,957</u>	<u>1,168,716</u>	<u>4,121,070</u>
Current Liabilities				
GST Payable		-	27,853	-
Accounts Payable	11	493,833	420,480	504,108
Borrowings	12	8,162	-	8,162
Revenue Received in Advance	13	-	72,912	-
Provision for Cyclical Maintenance	14	40,246	-	-
Finance Lease Liability	15	33,523	37,170	24,677
Funds held for Capital Works Projects	16	-	-	2,197
		<u>575,764</u>	<u>558,415</u>	<u>539,144</u>
Working Capital Surplus/(Deficit)		3,990,193	610,301	3,581,926
Non-current Assets				
Property, Plant and Equipment	10	1,935,391	3,915,759	1,897,342
Work in Progress		304,348	11,081	-
		<u>2,239,739</u>	<u>3,926,840</u>	<u>1,897,342</u>
Non-current Liabilities				
Borrowings - Due beyond one year	12	12,243	-	20,405
Provision for Cyclical Maintenance	14	41,292	43,776	36,480
Finance Lease Liability	15	65,242	42,536	33,794
		<u>118,777</u>	<u>86,312</u>	<u>90,679</u>
Net Assets		<u>6,111,155</u>	<u>4,450,829</u>	<u>5,388,589</u>
Equity		<u>6,111,155</u>	<u>4,450,829</u>	<u>5,388,589</u>

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



Patricia Avenue School
Statement of Cash Flows
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		5,398,722	4,514,049	5,150,946
Locally Raised Funds		40,213	70,000	48,286
Goods and Services Tax (net)		(50,666)	-	(50,132)
Payments to Employees		(3,993,191)	(3,841,500)	(3,675,661)
Payments to Suppliers		(570,238)	(1,622,379)	(512,636)
Interest Paid		(7,131)	(1,308)	(4,811)
Interest Received		29,625	20,000	11,787
Net cash from/(to) Operating Activities		847,334	(861,138)	967,779
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(484,888)	(1,523,000)	(291,199)
Purchase of Investments		(2,503,907)	-	(2,000,000)
Proceeds from Sale of Investments		2,000,000	-	-
Net cash from/(to) Investing Activities		(988,795)	(1,523,000)	(2,291,199)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	13,331
Finance Lease Payments		(23,562)	(28,130)	(26,132)
Loans Received		-	-	(8,162)
Repayment of Loans		8,162	-	-
Funds Administered on Behalf of Third Parties		60,929	-	(242,282)
Net cash from/(to) Financing Activities		45,529	(28,130)	(263,245)
Net increase/(decrease) in cash and cash equivalents		(95,932)	(2,412,268)	(1,586,665)
Cash and cash equivalents at the beginning of the year	7	1,303,254	2,889,919	2,889,919
Cash and cash equivalents at the end of the year	7	1,207,322	477,651	1,303,254

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.



Patricia Avenue School Notes to the Financial Statements For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Patricia Avenue 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 14.



Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

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) 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 and Equipment

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

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

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

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

Finance Leases

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



Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	10-20 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Library Resources	12.5% dv
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

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

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

l) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

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

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

m) Accounts Payable

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



n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees 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 students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

q) Funds held for Capital works

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

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

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. 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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) Provision for Cyclical Maintenance

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

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

The 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.



t) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	5,386,420	4,304,049	4,913,203
Teachers' Salaries Grants	4,803,141	4,347,478	4,620,726
Use of Land and Buildings Grants	427,845	493,759	384,051
Other Government Grants	138,706	10,000	77,422
	<u>10,756,112</u>	<u>9,155,286</u>	<u>9,995,402</u>

The school has opted in to the donations scheme for this year. Total amount received was \$31,800.

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	1,567	-	450
Fees for Extra Curricular Activities	23,534	15,000	29,206
Fundraising & Community Grants	16,831	55,000	91,515
	<u>41,932</u>	<u>70,000</u>	<u>121,171</u>
Expenses			
Extra Curricular Activities Costs	13,808	-	6,979
Fundraising & Community Grant Costs	3,321	5,000	1,723
	<u>17,129</u>	<u>5,000</u>	<u>8,702</u>
<i>Surplus for the year Locally raised funds</i>	<u>24,803</u>	<u>65,000</u>	<u>112,469</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	40,422	44,000	38,993
Employee Benefits - Salaries	4,652,981	4,168,478	4,464,586
Staff Development	38,222	53,000	39,651
Depreciation	222,391	182,289	191,986
Learning Resources Other	64,548	113,200	59,329
Ors Expenses	47,168	-	51,911
Star	2,685	31,850	27,905
Employee Benefits Salaries - ORS	3,762,393	3,710,550	3,504,378
	<u>8,830,810</u>	<u>8,303,367</u>	<u>8,378,739</u>



5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,606	4,600	4,472
Board Fees	2,855	4,000	2,560
Board Expenses	15,007	18,100	12,321
Communication	4,770	8,300	8,957
Consumables	6,683	9,000	7,722
Operating Lease	1,793	-	-
Other	86,584	65,800	61,430
Employee Benefits - Salaries	165,409	139,000	125,345
Insurance	21,860	22,000	21,135
Service Providers, Contractors and Consultancy	10,440	-	9,948
Healthy School Lunch Programme	230,321	-	105,697
	<u>550,328</u>	<u>270,800</u>	<u>359,587</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	69,024	56,000	61,127
Consultancy and Contract Services	1,000	11,000	1,000
Cyclical Maintenance Provision	45,058	7,296	7,296
Grounds	6,970	15,000	12,256
Heat, Light and Water	23,279	27,000	27,558
Rates	7,635	7,000	6,635
Repairs and Maintenance	86,123	75,000	66,880
Use of Land and Buildings	427,845	493,759	384,051
Security	2,274	4,500	2,185
Employee Benefits - Salaries	57,657	50,000	20,806
	<u>726,865</u>	<u>746,555</u>	<u>589,794</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	1,207,322	477,651	1,303,254
Cash and cash equivalents for Statement of Cash Flows	<u>1,207,322</u>	<u>477,651</u>	<u>1,303,254</u>

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



8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	30,387	45,573	12,331
Receivables from the Ministry of Education	6,077	-	36,831
Banking Staffing Underuse	224,003	283,001	174,725
Interest Receivable	26,407	4	986
Teacher Salaries Grant Receivable	395,283	340,550	392,715
	<u>682,157</u>	<u>669,128</u>	<u>617,588</u>
Receivables from Exchange Transactions	62,871	45,577	50,148
Receivables from Non-Exchange Transactions	619,286	623,551	567,440
	<u>682,157</u>	<u>669,128</u>	<u>617,588</u>

9. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	2,503,907	-	2,000,000
Total Investments	<u>2,503,907</u>	<u>-</u>	<u>2,000,000</u>



10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	230,210	-	-	-	(8,316)	221,894
Building Improvements	912,111	-	-	-	(29,209)	882,902
Furniture and Equipment	420,949	126,940	-	-	(63,123)	484,767
Information and Communication Technology	48,792	32,681	-	-	(20,703)	60,770
Motor Vehicles	225,006	27,105	-	-	(64,519)	187,592
Leased Assets	60,274	73,713	-	-	(36,521)	97,466
Balance at 31 December 2022	1,897,342	260,439	-	-	(222,391)	1,935,391

The net carrying value of equipment held under a finance lease is \$97,466 (2021: \$60,274)

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	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	332,650	(110,756)	221,894	332,650	(102,440)	230,210
Building Improvements	1,116,063	(233,161)	882,902	1,116,063	(203,952)	912,111
Furniture and Equipment	903,201	(418,434)	484,767	776,261	(355,312)	420,949
Information and Communication Technology	218,122	(157,352)	60,770	185,441	(136,649)	48,792
Motor Vehicles	545,644	(358,052)	187,592	564,661	(339,655)	225,006
Leased Assets	155,043	(57,577)	97,466	173,219	(112,945)	60,274
Library Resources	43,501	(43,501)	-	43,501	(43,501)	-
Balance at 31 December	3,314,224	(1,378,833)	1,935,391	3,191,796	(1,294,454)	1,897,342



11. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	48,267	42,705	61,132
Accruals	4,606	4,300	4,472
Employee Entitlements - Salaries	395,283	340,550	392,715
Employee Entitlements - Leave Accrual	45,677	32,925	45,789
	<u>493,833</u>	<u>420,480</u>	<u>504,108</u>
Payables for Exchange Transactions	493,833	420,480	504,108
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>493,833</u>	<u>420,480</u>	<u>504,108</u>

The carrying value of payables approximates their fair value.

12. Borrowings

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Loans due in one year	8,162	-	8,162
Loans due after one year	12,243	-	20,405
	<u>20,405</u>	<u>-</u>	<u>28,567</u>

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Income in advance	-	72,912	-
	<u>-</u>	<u>72,912</u>	<u>-</u>



14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	36,480	36,480	29,184
Increase to the Provision During the Year	15,458	7,296	7,296
Other Adjustments	29,600	-	-
Provision at the End of the Year	<u>81,538</u>	<u>43,776</u>	<u>36,480</u>
Cyclical Maintenance - Current	40,246	-	-
Cyclical Maintenance - Non current	41,292	43,776	36,480
	<u>81,538</u>	<u>43,776</u>	<u>36,480</u>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan / painting quotes.

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	40,308	37,170	28,450
Later than One Year and no Later than Five Years	72,497	42,536	37,159
Future Finance Charges	(14,040)	-	(7,138)
	<u>98,765</u>	<u>79,706</u>	<u>58,471</u>
Represented by			
Finance lease liability - Current	33,523	37,170	24,677
Finance lease liability - Non current	65,242	42,536	33,794
	<u>98,765</u>	<u>79,706</u>	<u>58,471</u>



16. Funds Held (Owed) for Capital Works Projects

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

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Senior Student Toilets		226974	2,197	-	(18,108)	-	(15,911)
Therapy Pool		227240	(155,804)	180,000	(83,617)	-	(59,421)
Totals			(153,607)	180,000	(101,725)	-	(75,332)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(75,332)

	2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Heating Upgrade		214862	(13,454)	-	-	13,454	-
Senior Student Toilets		226974	126,604	-	(124,407)	-	2,197
Therapy Pool		227240	-	-	(155,804)	-	(155,804)
Totals			113,150	-	(280,211)	13,454	(153,607)

Represented by:

Funds Held on Behalf of the Ministry of Education	2,197
Funds Receivable from the Ministry of Education	(155,804)

17. Related Party Transactions

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

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



18. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,855	2,560
<i>Leadership Team</i>		
Remuneration	717,038	788,235
Full-time equivalent members	6.00	7.00
Total key management personnel remuneration	719,893	790,795

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	160 - 170
Benefits and Other Emoluments	4 - 5	4 - 5
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
100 - 110	3.00	6.00
110 - 120	4.00	-
	7.00	6.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2022 Actual \$20,000	2021 Actual
Total	1	-
Number of People	1	-



20. Contingencies

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

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022.

The Ministry is in the Process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

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:

\$148,765 contract for the Senior Student Toilets as agent for the Ministry of Education. This project is fully funded by the Ministry and \$132,854 has been received of which \$148,765 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$239,420 contract for the Therapy Pool as agent for the Ministry of Education. This project is fully funded by the Ministry and \$180,000 has been received of which \$239,420 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$147,615 contract for the Senior Student Toilets as agent for the Ministry of Education. This project is fully funded by the Ministry and \$132,854 has been received of which \$130,657 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$180,000 contract for the Therapy Pool as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$155,804 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

There are no operating commitments as at 31 December 2022 (Operating 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	1,207,322	477,651	1,303,254
Receivables	682,157	669,128	617,588
Investments - Term Deposits	2,503,907	-	2,000,000
Total Financial assets measured at amortised cost	<u>4,393,386</u>	<u>1,146,779</u>	<u>3,920,842</u>

Financial liabilities measured at amortised cost

Payables	493,833	420,480	504,108
Borrowings - Loans	20,405	-	28,567
Finance Leases	98,765	79,706	58,471
Total Financial Liabilities Measured at Amortised Cost	<u>613,003</u>	<u>500,186</u>	<u>591,146</u>

23. Events After Balance Date

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

24. Comparatives

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



Patricia Avenue School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Lathan Awesome	Presiding Member	Appointed	Sep 2024
Andrea Neil	Principal	ex Officio	
Rupert Craggs	Parent Representative	Appointed	Sep 2024
Scott Marshall	Parent Representative	Appointed	Sep 2024
Carolyn Prescott	Parent Representative	Appointed	Sep 2024
Kiri Jones	Parent Representative	Appointed	Sep 2024
Jade Dobbs	Staff Representative	Appointed	Sep 2024
Stephanie Sole	Other	Appointed	Sep 2024

Patricia Avenue School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$4,107 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Patricia Avenue School Board:

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

Analysis of Variance Reporting



Localised Curriculum Development

School Name:	Patricia Avenue School	School Number:	1891
Strategic Aim:	To improve outcomes for students through personalised, relevant programmes that develop strengths and abilities, enhance well-being, and enable them to achieve independence and personally satisfying lives.		
Annual Aim:	Refresh the Patricia Avenue Curriculum, to enhance learning and teaching through clear and coherent learning pathways for aakonga, giving life to the school vision and differentiated learning profiles.		
Target:	<p>Develop a localised curriculum that contains clear and coherent learning pathways for aakonga, giving life to the school vision and differentiated learning profiles.</p> <p>Our localised curriculum will:</p> <ul style="list-style-type: none"> • Enable relationships for learning • Build coherent pathways for all aakonga • Provide rich opportunities for learning which give life to the school vision 'Learning for Living' 		
Baseline Data:	<p>A complete rewrite of the 'Patricia Avenue School Curriculum' has been quite a significant piece of work over the past two years and there have been a number of challenges along the way. Some of the barriers to completion have been time, changes in staff and lack of knowledge of the requirements. Although we have developed a framework, undertaken broad consultation and collaboration we have become somewhat stalled by a lack of clarity around appropriate content. We recognise an external PLD facilitator will support us with the final stages of our documentation and to identify our gaps.</p> <p>As a specialist school a local curriculum is essential for our students. We believe that a holistic approach to learning with appropriate, meaningful and relevant learning opportunities is essential. We anticipate the development of our local curriculum will further support teachers and therapists to meet the varied needs of our students' learning across their ages and developmental stages. The further development of this and its implementation, will support teachers to have a clear pathway that is responsive to our unique context and ensure that whaanau and community priorities and aspirations are acknowledged.</p> <p>Those teachers selected to join the curriculum team will gain a greater clarity and in-depth knowledge of curriculum leadership, enabling them to better lead and support new teachers. A 'fit for purpose' curriculum will support the development of our current internal review around our IEP processes and enable us to develop a stronger framework for class programmes. Improving and strengthening teacher knowledge and capability within a local curriculum framework should ensure better learning outcomes and increased engagement for students. We are also looking closely at how we support a connection to the ongoing work within the school for greater emphasis of te Tiriti o Waitangi, and the ways in which we can embed te reo and tikanga throughout our curriculum and kura.</p>		

The curriculum team will work in collaboration with Pip Newick (MOE PLD facilitator) to review and further develop our localised curriculum to meet the learning needs of different learning cohorts across the school through a systematic inquiry approach. The team will be supported by Paula Hale and Ellie Mackwood, who will help to establish the scope and purpose of the team, and agree to the shared principles to underpin this work. As we want the curriculum team to feel they have ownership over the development of this project, we have identified the broad areas of improvements we would like to explore through this work in this development plan (See Actions section below).

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Established a Curriculum Team representative of the different learning cohorts across the school.</p>	<p>Curriculum team included PMLD, base, satellite, transition, therapy, SMT and Te Ao Maori representation.</p> <p>Curriculum team met fortnightly supported by Pip Newick (external facilitator). Fixed term management units made available in recognition of commitment to this area of the strategic plan.</p>	<p>30/100 hours used for this PLD. Hours were used during TODs, SODs, fortnightly curriculum meetings and planning/consultation meetings between Pip, Paula and Ellie.</p> <p>It was difficult to use so many hours without significant full day facilitator support. Staffing pressures, as an ongoing result of COVID-19 disruptions, meant that it was difficult to release the curriculum development team for meetings within the school terms.</p>	<p>Director's extension granted to carry current hours over until June 2023</p> <p>Reapply for the mid-year Regionally-Allocated PLD funding cycle.</p> <p>Advertise opportunity for additional staff to join Curriculum Lead Team in 2023 to re-establish a Curriculum Development Team, ensuring coverage across the school.</p>
<p>Collate and incorporate specific feedback from staff to reflect junior, middle, senior, and inclusive of students with Complex Learning Difficulties and Disabilities (CLDD) priorities.</p>	<p>Professional staff reflected on school vision: Learning for Living, and identified what learning was appropriate, meaningful and relevant for their learners.</p> <p>Contributions were revisited across the year and organised into priority learning areas and understandings when developed.</p> <p>Full staff meetings held each term to consult with and update staff.</p> <p>Use of TOD to work with professional staff and LSAs.</p> <p>Progress Presentation to Board of Trustees in November 2022, and work shared back with professional staff at combined team meeting Dec 2022.</p>	<p>By working collaboratively with staff we began to bring our vision of Learning for Living to life. We have supported a shared understanding of what this means and used this to identify five priority areas of the most important learning for our students. "Learning for Living" is driving discussions and thinking related to curriculum, across the school.</p> <p>Teachers feel like they can see themselves and their students in this work, alongside authentic contexts and rich, meaningful learning opportunities, and are developing a greater understanding of the purpose of a local curriculum.</p> <p>It was important to share this journey with the Board of Trustees to keep them fully informed, and also to seek initial community feedback on our direction. Board members were excited to see the importance of the priority learning areas for their own children reflected in this work and were interested and supportive of our direction.</p>	<p>Continue to work collaboratively with the full staff to maintain momentum, develop shared understandings and promote collective ownership of this work through each stage.</p> <p>Provide opportunities for professional staff to work within pathway groupings to identify knowledge (contexts), skills and learning progressions for their learners within literacy, mathematics, and the priority learning areas.</p>

<p>Identify areas for further development and/or those that may not have been addressed, and action.</p>	<p>Student pathways were created to reflect the learning needs and aspirations of akonga:</p> <ul style="list-style-type: none"> • Personalised programmes developed through multi-sensory communication with a focus on functional communication and life skills development. • Personalised programmes focussed on functional communication and life skills development • Personalised programmes delivered through adapted New Zealand Curriculum • Personalised programmes for adult students and those transitioning into the community. <p>Identification of priority learning areas:</p> <ul style="list-style-type: none"> • Self-Concept - <i>Mana Motuhake</i> • Thinking and Emotions - <i>Taha Hinengaro</i> • Physical Wellbeing - <i>Taha Tinana</i> • Connection to Others - <i>Hononga</i> • Safety – <i>Haumarū</i> <p>Draft key Understandings for each priority learning area.</p> <p>School and community consultation on shared values underpinning teaching and learning at Patricia Avenue School.</p>	<p>The process undertaken this year has widened our understanding of the concept and integral nature of a localised curriculum to encompass everything that aakonga experience.</p> <p>Through whole-staff consultation we have also been able to identify the big ideas/understandings in each of these areas and what learning is too important to be left to chance.</p> <p>There is some confusion about purpose of the different sets of values within the school. In our charter we reference Education Values, Virtues Values and Professional Values. In addition to this we have a section outlining our Values and Beliefs. The curriculum team felt it was important to consult with our school community to identify commonly held values, and use these to guide the development of our Localised Curriculum.</p> <p>At times the scope of this work has been overwhelming. We have worked systematically to identify areas for future review, while remaining focused on designing a framework that strengthens our people and celebrates our place.</p>	<p>Community/whānau consultation on dimensions and understandings.</p> <p>Identify knowledge (contexts), skills and progressions for literacy and mathematics using Curriculum Progress Tools in alignment with Te maataiaho Review, and our student pathways over the first half of 2023.</p> <p>The formation of PLGs lead by the curriculum team, will support us to Identify knowledge (contexts), skills and progressions for priority learning areas in alignment with Te maataiaho Review, and our student pathways over the second half of 2023.</p> <p>Development of second tier documentation including assessments aligned to learning progressions, teaching approaches (including play-based learning), IEPs, EOTC and reporting to reflect localised curriculum.</p>
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<p>Ensure ngaa tikanga me ngaa whakapono Maaori is embedded within our Patricia Avenue Curriculum.</p>	<p>Te Ao Maori reflected through the creation of priority learning areas.</p> <p>Alignment with Te Maataiaho Review.</p>	<p>Priority learning areas based on Te Whare Tapu Wha model, Te Huia model and the findings of Te Pikinga ki Runga: Raising Possibilities study.</p> <p>Some staff have found the language and concepts originally used by the curriculum team challenging to understand. To support understanding we have changed the term dimensions to priority learning areas, and using the English terms for these areas first, followed by Te Reo Maaori.</p>	<p>Establish relationship with Kaumatua or Kairangi Maaori.</p> <p>Seek feedback from staff who identify as Maaori.</p> <p>Establishment of whaanau group to gather wider feedback.</p> <p>Frequent use of Te Reo Maaori terminology to support teachers to become more confident with these concepts.</p>
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Planning for next year:

Creating connections - Community partnerships with mana whenua/iwi consultation.

Community/whaanau consultation on priority learning areas and understandings.

Establish relationship with Kaumatua or Kairangi Maaori. Seek feedback from staff who identify as Maaori. Establishment of whaanau group to gather wider feedback.

Identification of **Understandings, knowledge (contexts) and skills for literacy and numeracy**, reviewing already existing curriculum progress tools, in alignment with Te Maataiaho Review.

Development of learning progressions within our pathways model (focus for the first half of 2023).

Formation of PLGs lead by the curriculum team - leading the change and growing middle leadership skills.

PLGs will **identify knowledge (contexts) and skills for priority learning areas** (focus for second half of 2023).

Develop progressions for priority learning areas (focus for 2024).