

RIDGWAY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 2980

Principal: Kathryn Smith

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Accountant / Service Provider:

Education  **Services.**
Dedicated to your school

RIDGWAY SCHOOL

Annual Report - For the year ended 31 December 2022

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Ridgway 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.

Joanna LMBhatn
Full Name of Presiding Member

Kathryn Smith
Full Name of Principal

✓ 1/06/2023
Date:

1. 6. 2023
Date:

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

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	1,883,602	1,817,740	1,878,696
Locally Raised Funds	3	127,719	123,848	88,449
Interest Income		16,125	1,000	7,591
Gain on Sale of Property, Plant and Equipment		1,824	-	-
Other Revenue		947	-	-
		<u>2,030,217</u>	<u>1,942,588</u>	<u>1,974,736</u>
Expenses				
Locally Raised Funds	3	17,443	9,809	13,151
Learning Resources	4	1,555,886	1,510,814	1,584,198
Administration	5	170,045	146,140	130,983
Finance		2,503	2,102	1,336
Property	6	219,115	283,200	184,854
Loss on Disposal of Property, Plant and Equipment	11	2,399	-	-
		<u>1,967,391</u>	<u>1,952,065</u>	<u>1,914,522</u>
Net Surplus / (Deficit) for the year		62,826	(9,477)	60,214
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>62,826</u>	<u>(9,477)</u>	<u>60,214</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.

Ridgway 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		1,211,718	1,144,972	1,151,504
Total comprehensive revenue and expense for the year		62,826	(9,477)	60,214
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,774	-	-
Equity at 31 December		1,278,318	1,135,495	1,211,718
Accumulated comprehensive revenue and expense		1,278,318	1,135,495	1,211,718
Equity at 31 December		1,278,318	1,135,495	1,211,718

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.

Ridgway School
Statement of Financial Position
As at 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	445,160	42,195	99,689
Accounts Receivable	8	114,455	124,894	119,559
GST Receivable		11,713	1,140	4,135
Prepayments		8,150	4,036	6,429
Inventories	9	681	1,099	1,805
Investments	10	568,946	100,000	873,713
Funds Receivable for Capital Works Projects	15	19,915	-	9,940
		1,169,020	273,364	1,115,270
Current Liabilities				
Accounts Payable	12	147,522	122,840	140,996
Revenue Received in Advance	13	57,786	291	13,932
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability	14	4,514	7,030	6,869
Funds held for Capital Works Projects	15	61,282	-	595
		271,104	130,161	162,392
Working Capital Surplus/(Deficit)		897,916	143,203	952,878
Non-current Assets				
Property, Plant and Equipment	11	383,713	999,182	261,743
		383,713	999,182	261,743
Non-current Liabilities				
Finance Lease Liability	14	3,311	6,890	2,903
		3,311	6,890	2,903
Net Assets		1,278,318	1,135,495	1,211,718
Equity		1,278,318	1,135,495	1,211,718

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

Ridgway 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		519,735	421,681	488,338
Locally Raised Funds		137,087	123,482	102,317
Goods and Services Tax (net)		(7,578)	-	(2,995)
Payments to Employees		(241,219)	(204,510)	(272,380)
Payments to Suppliers		(258,181)	320,036	(192,642)
Interest Paid		(2,503)	(662)	(1,336)
Interest Received		16,040	1,000	8,102
Net cash from/(to) Operating Activities		163,381	661,027	129,404
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		2,470	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(176,907)	(789,500)	(22,614)
Purchase of Investments		(8,965)	-	(157,122)
Proceeds from Sale of Investments		313,733	-	-
Net cash from/(to) Investing Activities		130,331	(789,500)	(179,736)
Cash flows from Financing Activities				
Furniture and Equipment Grant		3,774	-	-
Finance Lease Payments		(5,027)	(7,601)	(4,558)
Funds Administered on Behalf of Third Parties		53,012	-	(23,690)
Net cash from/(to) Financing Activities		51,759	(7,601)	(28,248)
Net increase/(decrease) in cash and cash equivalents		345,471	(136,074)	(78,580)
Cash and cash equivalents at the beginning of the year	7	99,689	178,269	178,269
Cash and cash equivalents at the end of the year	7	445,160	42,195	99,689

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.

Ridgway School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Ridgway 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 .

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 20b.

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:

Building Improvements	20 years
Furniture and Equipment	10 years
Information and Communication Technology	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

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

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

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

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

Non cash generating assets

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

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees 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 school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

t) Financial Instruments

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

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

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

u) Borrowings

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	473,535	400,721	436,099
Teachers' Salaries Grants	1,272,373	1,212,784	1,283,719
Use of Land and Buildings Grants	122,418	183,275	119,257
Other Government Grants	15,276	20,960	39,621
	1,883,602	1,817,740	1,878,696

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	74,767	78,774	58,954
Fees for Extra Curricular Activities	16,494	14,500	13,484
Trading	1,529	366	554
Fundraising & Community Grants	34,929	30,208	15,457
	127,719	123,848	88,449
Expenses			
Extra Curricular Activities Costs	10,005	10,450	9,411
Trading	1,124	(1,491)	786
Fundraising & Community Grant Costs	6,314	850	2,954
	17,443	9,809	13,151
Surplus for the year Locally raised funds	110,276	114,039	75,298

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	96,573	109,376	53,789
Library Resources	1,736	-	-
Employee Benefits - Salaries	1,383,763	1,324,091	1,467,871
Staff Development	12,552	33,500	13,797
Depreciation	61,262	43,847	48,741
	1,555,886	1,510,814	1,584,198

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,599	7,598	7,377
Board Fees	440	2,500	440
Board Expenses	6,749	8,256	4,551
Communication	1,365	1,600	1,683
Consumables	3,745	4,800	3,474
Other	17,096	15,393	8,903
Employee Benefits - Salaries	118,924	93,203	90,888
Insurance	2,703	1,366	2,687
Service Providers, Contractors and Consultancy	11,424	11,424	10,980
	170,045	146,140	130,983

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	7,683	8,000	6,396
Cyclical Maintenance Provision	-	800	(7,111)
Heat, Light and Water	13,348	8,000	9,207
Rates	4,657	3,875	3,328
Repairs and Maintenance	9,842	8,250	7,934
Use of Land and Buildings	122,418	183,275	119,257
Security	2,460	2,250	2,798
Employee Benefits - Salaries	13,447	15,000	2,868
Contractors	45,260	53,750	40,177
	219,115	283,200	184,854

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	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	445,160	42,195	99,689
Cash and cash equivalents for Statement of Cash Flows	445,160	42,195	99,689

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

Of the \$445,160 Cash and Cash Equivalents \$61,282 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 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	933	24,855	5,493
Interest Receivable	966	1,392	881
Teacher Salaries Grant Receivable	112,556	98,647	113,185
	114,455	124,894	119,559
Receivables from Exchange Transactions	1,899	26,247	6,374
Receivables from Non-Exchange Transactions	112,556	98,647	113,185
	114,455	124,894	119,559

9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Uniforms	681	1,099	1,805
	681	1,099	1,805

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	568,946	100,000	873,713
Total Investments	568,946	100,000	873,713

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	155,394	-	(163)	-	(10,258)	144,972
Furniture and Equipment	71,146	164,853	(1,702)	-	(28,802)	205,495
Information and Communication Technology	22,016	15,183	(818)	-	(13,280)	23,102
Leased Assets	8,965	6,240	(362)	-	(7,599)	7,244
Library Resources	4,222	-	-	-	(1,323)	2,900
Balance at 31 December 2022	261,743	186,276	(3,045)	-	(61,262)	383,713

The net carrying value of equipment held under a finance lease is \$7,244 (2021: \$8,965)

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
	\$	\$	\$	\$	\$	\$
Building Improvements	200,891	(55,919)	144,972	221,730	(66,336)	155,394
Furniture and Equipment	411,563	(206,068)	205,495	301,592	(230,446)	71,146
Information and Communication Technology	100,555	(77,453)	23,102	148,098	(126,082)	22,016
Leased Assets	16,207	(8,963)	7,244	27,352	(18,387)	8,965
Library Resources	12,671	(9,771)	2,900	12,705	(8,483)	4,222
Balance at 31 December	741,887	(358,174)	383,713	711,477	(449,734)	261,743

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	6,159	6,517	3,819
Accruals	7,599	5,087	5,877
Employee Entitlements - Salaries	112,556	98,647	113,185
Employee Entitlements - Leave Accrual	21,208	12,589	18,115
	<u>147,522</u>	<u>122,840</u>	<u>140,996</u>
Payables for Exchange Transactions	147,522	122,840	140,996
	<u>147,522</u>	<u>122,840</u>	<u>140,996</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Income In Advance	22,886	191	13,832
Hall Bond	400	100	100
MOE Grants in advance	34,500	-	-
	<u>57,786</u>	<u>291</u>	<u>13,932</u>

14. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	5,017	7,030	7,502
Later than One Year and no Later than Five Years	3,515	6,890	3,060
Future Finance Charges	(707)	-	(790)
	<u>7,825</u>	<u>13,920</u>	<u>9,772</u>
Represented by			
Finance lease liability - Current	4,514	7,030	6,869
Finance lease liability - Non current	3,311	6,890	2,903
	<u>7,825</u>	<u>13,920</u>	<u>9,772</u>

15. 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 \$
SIP Adventure Playground		224898	595	114,761	(54,074)	-	61,282
Ancillary Building Refurbishment		234735	(9,940)	-	(9,975)	-	(19,915)
Totals			<u>(9,345)</u>	<u>114,761</u>	<u>(64,049)</u>	<u>-</u>	<u>41,367</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	61,282
Funds Receivable from the Ministry of Education	(19,915)

	2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
SIP Adventure Playground		224898	14,345	-	(13,750)	-	595
Ancillary Building Refurbishment		234735	-	-	(9,940)	-	(9,940)
Totals			<u>14,345</u>	<u>-</u>	<u>(23,690)</u>	<u>-</u>	<u>(9,345)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	595
Funds Receivable from the Ministry of Education	(9,940)

16. 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.

17. 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	440	440
<i>Leadership Team</i>		
Remuneration	267,321	247,262
Full-time equivalent members	2.04	2.00
Total key management personnel remuneration	267,761	247,702

There are 7 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (1 members) and Property (2 members) that met 2 and 26 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	130 - 140
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
100 - 110	-	3.00
110 - 120	1.00	-
	1.00	3.00

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

18. 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	-	-

19. 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.

20. Commitments

(a) Capital Commitments

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

\$145,172 contract for the SIP Adventure Playground as agent for the Ministry of Education. This project is fully funded by the Ministry and \$129,106 has been received of which \$67,824 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$155,260 contract for the Ancillary Building Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$19,915 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$143,451 contract for the SIP Adventure Playground as agent for the Ministry of Education. This project is fully funded by the Ministry and \$14,345 has been received of which \$13,750 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$155,260 contract for the Ancillary Building Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$9,940 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).

21. 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	445,160	42,195	99,689
Receivables	114,455	124,894	119,559
Investments - Term Deposits	568,946	100,000	873,713
Total Financial assets measured at amortised cost	<u>1,128,561</u>	<u>267,089</u>	<u>1,092,961</u>

Financial liabilities measured at amortised cost

Payables	147,522	122,840	140,996
Finance Leases	7,825	13,920	9,772
Total Financial Liabilities Measured at Amortised Cost	<u>155,347</u>	<u>136,760</u>	<u>150,768</u>

22. Events After Balance Date

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

23. Comparatives

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

Ridgway School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Barbara Dean	Presiding Member	Elected	Sep 2022
Kathryn Smith	Principal	ex Officio	
Jo Pohatu	Parent Representative	Elected	Sep 2025
Rachel Kirkman	Parent Representative	Elected	Sep 2022
Cameron Hyslop	Parent Representative	Appointed	Sep 2025
Monica Mirele Serrano	Parent Representative	Appointed	Sep 2025
Adam Smith	Parent Representative	Co-opted	Sep 2025
Kayvan Bahraini	Parent Representative	Elected	Sep 2025
Sopie Hazelhurst	Parent Representative	Elected	Sep 2025
Raelene Sloper	Staff Representative	Elected	Sep 2022
Sarah Taylor	Staff Representative	Elected	Sep 2025

Ridgway School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$3,109 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Ridgway 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF RIDGWAY SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Ridgway School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information

In our opinion the financial statements of the School:

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

Our audit was completed on 1 June 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 is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities 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 pages 1 and 21 to 22, 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.



Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand



RIDGWAY SCHOOL

AUDIT COMPLETION REPORT

FOR THE YEAR ENDED
31 DECEMBER 2022



7 June 2023

Jo Pohatu
Presiding Member
Ridgway School
120 Mornington Road, Brooklyn Wellington
cc: Kathryn Smith
Principal

Dear Jo,

We have pleasure in presenting our Audit Completion Report for our audit of Ridgway School's financial statements for the year ended 31 December 2022.

We emphasise that our audit work involves the review of only those systems and controls in your School upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We express our appreciation for the assistance and co-operation provided by the School and the School's service provider during the audit. There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO WELLINGTON AUDIT LIMITED

A blue ink signature of Geoff Potter, written in a cursive style, is placed over the printed name and title.

Geoff Potter
Partner
Audit & Assurance Services

DDI: 04 498 3864
Email: Geoff.Potter@bdo.co.nz



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1. EXECUTIVE SUMMARY

STATUS OF THE AUDIT AND THE AUDIT OPINION

BDO Wellington Audit Limited ('BDO') is the Appointed Audit Firm of Ridgway School (the "School").

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

This report details the processes, findings and recommendations from our audit of the School in accordance with the Auditor General's Auditing Standards, and the terms of our engagement as set out in our audit engagement letter.

Our audit of the School's financial statements for the year ended 31 December 2022 is complete.

We have issued an unmodified audit opinion.

We welcome your feedback on the effectiveness of the audit process and we are available to discuss our performance.

AUDIT SCOPE AND OBJECTIVES

Our audit objectives are to:

- report on whether the financial statements are presented fairly in all material aspects; and
- report to Management about control environment issues that should be addressed by the School.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested, and assessed the controls supporting the School's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Internal Control and Other Findings section of this report.



AREAS OF SIGNIFICANT RISK AND AUDIT EMPHASIS

Our audit approach considered the inherent risks for the School, and their potential impact on the financial statements, as well as the associated risk mitigations and controls in place. The significant matters arising from our audit work are:

- Locally raised funds
- Payroll controls
- Cyclical maintenance provision
- Management override of controls

We were able to obtain sufficient and appropriate audit evidence in respect to these items and we have no significant findings to bring to your attention. Refer to Section 2 for our comments in respect of each significant risk and area of audit emphasis.

SUMMARY OF UNCORRECTED MISSTATEMENTS

There were no errors left uncorrected at the conclusion of our audit. Uncorrected misstatements are documented at Appendix 1 and will be included in the letter of representation to confirm that you agree with Management's assertion that they are immaterial to the readers understanding of your financial statements.

INTERNAL CONTROLS

Our audit approach requires us to obtain an understanding of the School's internal controls in order to assess the risk of material misstatement in the financial statements whether due to fraud or error. However, is not designed to provide assurance over the overall effectiveness of controls operating within the School.

We have included in Appendix 1 of this report, a summary of our findings and recommendations arising because of our audit procedures.



2. KEY FINANCIAL STATEMENT AUDIT RISKS AND AREAS OF AUDIT EMPHASIS

Our audit procedures were focused on those areas of the School's activities that are considered to represent the key audit risks identified during the risk assessment process undertaken and communicated with you through our Audit Plan issued to you at the planning phase of the audit. Below we present a summary of the identified key areas of risk and audit emphasis and our conclusions in relation to each matter. We are satisfied that these areas have been satisfactorily addressed through our audit processes, unless stated otherwise.

Locally Raised Funds	
Area of Audit Emphasis	Conclusion/Response
Due to the nature of locally raised funds (often being cash, or having limited segregation of duties), there is a risk of material misstatement around the completeness of locally raised funds.	We found no issues regarding the completeness of locally raised funds balances recorded in the financial statements.
Payroll not approved or checked	
Area of Audit Emphasis	Conclusion/Response
Payroll is processed centrally for all schools. The accuracy of payroll processing is therefore dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report at the School.	We found no issues regarding controls that could affect the payroll balances recorded in the financial statements.



Cyclical Maintenance Provision	
Area of Audit Emphasis	Conclusion/Response
Cyclical Maintenance is an area of significant judgment and estimation which could lead to material misstatement in the financial statements if not considered properly by management. For Schools to be able to calculate the appropriate cyclical maintenance provision, a 10 Year Property Plan (10YPP) and cyclical maintenance calculation need to be prepared and/or reviewed by an expert.	We have raised a journal adjustment to remove the cyclical maintenance provision as there is currently no 10 year property plan in place due to Ridgway School still being rebuilt as balance date. See appendix 1 for further details of the journal adjustment.
Management Override	
Area of Audit Emphasis	Conclusion/Response
There is a non-rebuttable presumption under the Auditing Standards that management override presents a significant risk of material misstatement to the financial statements.	We have assessed the segregation of duties and risk of management override as part of our planning process and concluded that the risk of fraud from management override of controls primarily relates to the processing of manual journals. We have used a risk-based approach to testing manual journals and focused on any areas with a risk of cut-off error or those requiring judgement or estimation. No issues with management override were identified.



3. INTERNAL CONTROL AND OTHER AUDIT FINDINGS

This section of the report sets out the key findings we identified during the audit and highlights control deficiencies requiring attention from management. Our work has been limited to those controls relevant to the audit of your financial statements. The purpose of our audit work on controls is not to provide assurance and therefore we may not necessarily disclose all matters that might be significant deficiencies or deficiencies that heighten the risk of a fraud being perpetrated.

The following key findings were identified during this year's audit:

REGULAR REVIEW OF MONTHLY MANAGEMENT ACCOUNTS

Finding

We were unable to evidence that the Board regularly reviews the monthly management accounts as well as journal reports.

Conclusion/Response

Regularly reviewing monthly management accounts and taking appropriate action is a key feature which differentiates financially successful and well-governed schools. We recommend that the school delegates this activity to a finance sub-committee or nominated Board representative that can report to the Board.

EVIDENCE OF CASH RECEIPTING AUTHORIZATION

Finding

We noted that your bank reconciliation of cash receipts and daily banking had been prepared but there was no evidence of independent review for the July 2022 Reconciliation relating to the Market's Day.

Conclusion/Response

Cash banking presents a higher risk of fraud and misappropriation. We recommend that an officer independent of the reconciliation of the cash banking reviews and checks the amount banked is consistent with the reconciliation.

CYCLICAL MAINTENANCE PLAN

Finding

We noted that the school does not currently have a 10-year property maintenance plan as they have just moved to new school building

Conclusion/Response

We recommend the school obtains a 10YPP from an MOE approved property manager and ensure that is reflects the current condition of the school's premises, allowing the cyclical maintenance provision to be based on up-to-date information.



BULK ITEMS NOT SEPARATED ON FIXED ASSET REGISTER

Finding

We noted that the school includes bulk purchases on the asset register as one asset, rather than listing them individually.

Conclusion /Response

Bulk purchase record is acceptable when the school has appropriate records of those assets, including serial numbers, if applicable. This is particularly important where assets are portable and desirable, such as iPads, so the assets can be adequately safeguarded and insured.

We recommend the school to review the fixed asset register periodically to make sure the fixed asset item has appropriate record.



4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

Matter	How the matter was addressed
Auditors responsibility under generally accepted auditing standards	<p>We are responsible for completing an audit in accordance with generally accepted auditing standards in New Zealand. The detailed terms of which are set out in our audit engagement letter.</p>
Confirmation of Audit Independence	<p>In conducting our audit, we are required to comply with the independence requirements of AG PES-1 <i>Code of Ethics for Assurance Practitioners</i> issued by the External Reporting Board.</p> <p>Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.</p> <p>For the comfort of the Board, we note that the following processes assist in maintaining our independence:</p> <ul style="list-style-type: none">• No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner or the OAG.• All services performed by any national BDO office will be reported to the governing body. <p>There were no other services provided by BDO during the year.</p>
Management Judgements and Estimates	<p>Under International Standards on Auditing (NZ), we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions, or valuation judgements. Overall, we note that the judgements and estimates made by management in the preparation of the financial statements for the year ended 31 December 2022 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable.</p>



Matter	How the matter was addressed
Matters requiring Board of Trustee input	<p>We have placed reliance on the Board's review and approval of the following matters:</p> <ul style="list-style-type: none">• Minutes of the Board meetings;• Implementation of such controls as is needed to ensure that financial statements are presented fairly;• Management accounts;• Annual budget;• 10 Year Property Plan/maintenance plan;• Notification of fraud; and• Financial statements.
Accounting policies	<p>Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.</p>
Materiality and adjusted/ unadjusted differences	<p>Materiality means, in the context of an audit or review, 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 amount of work to be performed, which balances require work and when evaluating the financial statements. Materiality is initially calculated at the planning stage of our audit and has an influence on the amount of work we do, as well as where we direct our efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.</p> <p>All adjusted and unadjusted differences identified during our audit (if any) have been detailed in Appendix 1 of this report.</p> <p>It should be noted that the 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.</p>

Matter	How the matter was addressed
Going concern	<p>We have undertaken a review of the Board and management's assessment of the ability of the School to continue as a going concern for at least 12 months from the date of signing the audit report, and therefore whether the going concern basis for the preparation of the financial statements is appropriate.</p> <p>We identified no issues or concerns that led us to conclude the going concern assumption could not be relied upon.</p>
Fraud	<p>During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud; however, should instances of fraud come to our attention, we will report them to you.</p>
Compliance with laws and regulations	<p>We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.</p>
Significant findings from the audit	<p>Other than those documented in the executive summary and sections 2 and 3 of this report, there were no significant matters arising from the audit.</p>
Disagreements with management	<p>There have been no disagreements with management over matters of significance to the audit.</p>
Difficulties encountered during the audit	<p>There have been no significant difficulties encountered during the audit.</p>
Consultations with other accountants and consultants	<p>We have considered the need for other accounting specialists during our work and determined due to the nature of the engagement and experience and knowledge of the engagement team, that no specialists were necessary for the current period.</p>
Management representation letter	<p>We have requested specific representation from management in addition to those areas normally covered by our standard representation letter.</p>

Matter	How the matter was addressed
Probity, waste and performance	<p>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 did not identify any issues of concern with respect to probity, waste and performance.</p>
Publishing Annual Report on the School's Website	<p>The Education and Training Act 2020 requires you to publish your Annual Report online. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees Kiwisport statement and Statement of Compliance with Employment policy.</p> <p>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.</p> <p>We note that you have published your prior year Annual Report on the School's website.</p>



APPENDIX 1 - ADJUSTED DIFFERENCES

ADJUSTED DIFFERENCES

The following misstatements have been identified during our audit, and have been adjusted:

Description	Assets	Liabilities	Revenue	Expenses
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	\$	\$	\$	\$
To remove the GST on the Grant in advance as there is no GSO applied to the funding.	4,500	(4,500)	-	-
Net Effect of Adjustments made:	4,500	(4,500)	-	-

UNADJUSTED DIFFERENCES

No un-adjusting journals were raised during the audit.



Strategic Goals 2020 - 2023

The board has set **4 strategic Goals** and identified 4 areas in which to focus our efforts to achieve these goals.

Our Children and Staff

1. ...achieve success
2. ...live happy and healthy lives
3. ...experience belonging
4. ...have strong connections to our community and environment

These focus areas...

1. Curriculum Development
2. Professional Learning,
3. Buildings and Grounds, and
4. Systems and Processes,

...reach into every aspect of school life and closely reflect our school values of Kakama, Manawaroa, Takohanga and Manaaki (*Resourcefulness, Resilience, Responsible and Manaaki*).



School goal - Staff and students work collaboratively in a healthy and inclusive school where our values are evident.

Target Area: Hauora

Background -

In 2022 kaiako identified that 'rigorous attention' to minor negative behaviours was key to noticing ākonga wellbeing needs so that these needs can then be met through teaching appropriate social and emotional skills.

Kaiako were acutely aware of survey data (Wellbeing@school; Rongohia te Hau) indicating that not all children felt as if they 'belonged' at our kura

Wellbeing Targets:

1. Increased sense of belonging and hauora among our priority group as evidenced by 100% movement towards more positive responses on our school belonging and wellbeing survey.
2. Reduction to zero in minor behaviours of individual children.

Actions - what we did

1. Moved into our new school building - this healthy and fresh environment, where children and staff could work in a warm, dry, and pleasant surroundings had a positive impact on everyone. Learning and working in a pleasant environment made us feel valued.
2. kaiako taught PB4L lessons that targeted identified needs for social and emotional learning.
3. Drama was used as a vehicle for practising appropriate responses to a range of stress inducing situations.
4. kaiako discussed how to be inclusive with tamariki, explicitly addressing acceptance of difference and diversity in various forms. This resulted in ākonga showing greater understanding towards their peers and exercising increasing amounts of tolerance.
5. kaiako worked with whānau when tamariki behaviour or learning was identified to be causing stress, and took action together recording information on Hauora Plans.
6. SLT paid close attention to ongoing behavioural concerns, attending team meetings and meetings with whānau
7. 2 kaiako completed the Incredible Years training with RTL providers.
8. Staff working in the senior school completed Understanding Behaviour Responding Safely training
9. Provided kai for tamariki who regularly did not bring lunch
10. Held restorative conversations with tamariki who had engaged in negative behaviours and communicated closely with parents, agreeing on next steps.

Outcomes

- what happened?

Largest number of intermediate aged ākonga chose to remain in the school for 2023 since 2016

- While there are many reasons why tamariki choose to leave the school at the end of Year 6, we see this as an indication that a large number of this cohort do indeed feel that they belong at our kura

Inclusion

- kaiako witnessed tamariki going out of their way to be friendly to others who were not already their friends
- Parents reported tamariki explaining the special needs of others and how these were being accommodated, or of their children reporting that their peers were caring and friendly

Reduced number of anti-social behaviours

- Records show that in every case, individual tamaiti reduced the incidences of anti-social behaviour in response to strategies and approaches followed by kaiako

Reasons for the variance? - Why did it happen?

- A large number of children have formed strong friendships within their cohort and this gives them a strong sense of belonging.

- Ākonga and whānau recognised that kaiako cared about them and responded positively to kaiako efforts to support wellbeing
- Teaching approaches and strategies have had a positive impact

Evaluation - *Where to next?*

- Continue build on existing quality practices (PB4L approaches, Hauora Plans, tailoring in class and out of class interventions to meet needs)
- Provide staff with further training in Restorative Practices
- Continue to reflect on our practices and refine processes to meet the needs of individuals





School goal - all students are successful and learn to the best of their ability

Target Area: **Maths**

Background information for Maths

2021 Mathematics Achievement Analysis showed that 86% achieved or exceeded, end of year expectations based on kaiako's end of year OTJs.

Except for tamariki who have Individual Education Plans, all ākonga in the Maths Watch Group were in the "nearly" achieving group. This means that these children should be able to make above average progress by engaging in quality maths programmes in class to achieve end of year expectations.

During 2021 three kaiako trialled the Prime Maths programme and in 2022 all kaiako have agreed to adopt this, although it is planned to supplement this programme with "rich maths tasks" across the school. We believe that this programme will provide kaiako with more clarity about what to teach and take some planning and preparation load from them.

Maths Achievement Targets

1. 23 ākonga (identified as nearly achieving end of year expectations in 2021) will make above average progress (more than 3 sub-levels) during the year
2. 4 ākonga will make progress towards their individual learning goals.

Actions - what we did

1. Kaiako across Year 3 - 8 adopted the Prime Maths programme.
 - a. All kaiako teaching Prime Maths engaged in multiple online training sessions to ensure that they knew how to use the Prime resources effectively
 - b. In using the Prime Maths resources, nearly all ākonga were seen to be highly engaged
2. The school provided extra staffing to the Year 4-8 teaching teams so that small group tutoring could take place in terms 3 and 4 for members of the maths watch group who were not showing sufficient progress.
3. Made home visits to families where school non-attendance was high
4. Deliberate move away from ability grouping so that nearly all ākonga were learning according to Year level expectations
5. kaiako ran 'booster' groups (for acceleration in Years 6-8) where they gave extra support to those children who needed to accelerate their progress in maths. Parents were informed and in some cases supported their children to do homework that aligned with the classroom programme.

Outcomes - what happened?

At the end of 2022, 86% of ākonga achieved or exceeded expectations in maths.

- This is the same proportion as in 2021.
 - In 2022 a significantly higher proportion of ākonga, 32.9% *exceeded expectations* than in the last 2 years (2020 24.7% exceeded expectations; 2021 20.3% exceeded expectations)

Target 1

- 12 ākonga improved their achievement level by 3 or more sub-levels.
 - 10 of these ākonga met expectations for their Year level in 2022.
 - another 4 made normal progress but are also meeting expectations
- 11 ākonga made normal progress of 1-2 sub-level improvement but are not yet meeting expectations for Year Level achievement.
- 2 ākonga do not appear to have made any progress
 - 1 made excellent progress in 2021 and has maintained this achievement level
 - 1 does not have 2021 data available
- All ākonga in this target group who are not yet meeting Year Level expectations are either 1 or 2 sub-levels away from meeting expectations. This equates to less than two years of learning.

Target 2

- 3 of the ākonga in this group have been provided with support to make progress towards their individual learning goals.

Reasons for the variance? - Why did it happen?

Attendance is a contributing factor for some ākonga not achieving expectations in maths (n=4). The rest of this group have complex learning needs that will require increased support in 2023. COVID-19 continued to disrupt learning in 2022, and cannot be overlooked as a major factor impacting achievement for priority learners. Children with complex learning needs are most affected by disruption to timetables caused by staff illness.

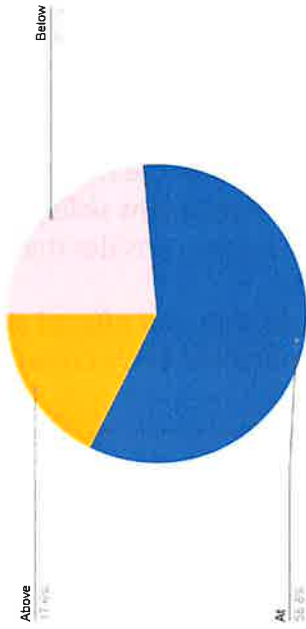
As kaiako became more adept at using the Prime Maths programme, we saw a greater number of ākonga achieving well above Year Level expectations.

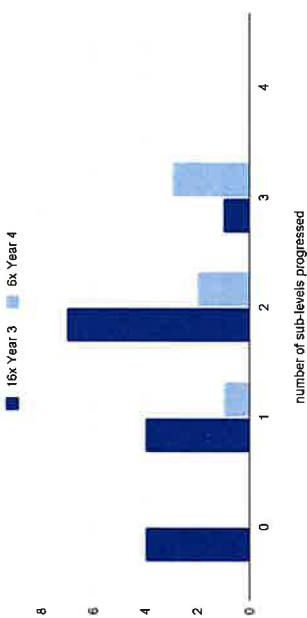
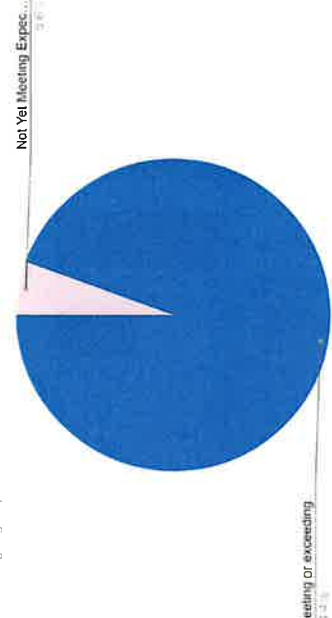
Evaluation - Where to next?

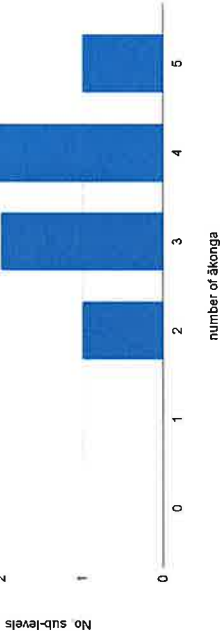
Ākonga with complex learning needs and varying social capabilities continue to present a challenge which the school is striving to meet by providing special in school programmes, engaging expert capability and ongoing professional learning.

- Continue to use Prime Maths in 2023 and include all ākonga in Year Level appropriate learning
- Continue to provide extra support to those ākonga who are not yet achieving expectations so they can experience success in the normal maths programme.
- Ensure that foundation maths skills are secure for all ākonga in Years 5-8 (including basic facts and telling the time). Kaiako consider that poor basic facts is holding some ākonga back from reaching their maths goals.
- "Rich Maths" tasks were not offered as often as kaiako had intended during 2022. In 2023 Rich Maths will be timetabled every Friday.



School goal - all students are successful and learn to the best of their ability										
Target Area: Literacy										
Background information <i>The majority of tamariki at Te Kura o Tawatawa / Ridgway School are successful in acquiring literacy skills. Similarly to previous years, in 2021, 90% of ākonga achieved or exceeded year level expectations in Reading while 83% achieved or exceeded year level expectations in Writing.</i> <i>At the start of 2022 kaiako identified 17 ākonga in Year 2 that would need support to meet end of year expectations in Reading and 23 ākonga in Year 3 & 4 that will need support to meet end of the year expectations in Writing.</i>										
Achievement Targets & Outcomes		Actions - what we did								
Target 1 Reading Targets 90% of Year 2 ākonga who are not yet meeting curriculum expectations will achieve the appropriate reading level for time at school by the end of the year 76% of Year 2 ākonga achieved the expected reading level. <ul style="list-style-type: none">14/18 ākonga in the target group made significant progress to move into the 'at' group.4 ākonga have not yet caught up with their peers	<p>Achievement in Reading <i>Kōtatare (Y2) target group 2022</i></p>  <table><caption>Achievement in Reading Data</caption><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Above</td><td>17.6%</td></tr><tr><td>At</td><td>55.6%</td></tr><tr><td>Below</td><td>26.8%</td></tr></tbody></table>	Category	Percentage	Above	17.6%	At	55.6%	Below	26.8%	<ul style="list-style-type: none">2 kaiako completed the first year of Better Start Literacy Approach and 2 more kaiako have started this training.Ākonga in the target group were all placed in BSLA groups and completed the Year 1 programme.Following the 10 and 20 week checkpoints, ākonga who had not mastered the key learning points were provided with extra (Tier 2) BSLA sessions in addition to their normal reading programme.One-to-one In class support was provided for 1 ākonga
Category	Percentage									
Above	17.6%									
At	55.6%									
Below	26.8%									

<p>Target 2</p> <p>Tūi Writing Target</p> <p>16x Year 3 and 6x Year 4 ākonga who are not yet meeting curriculum expectations will make more than a year's worth of progress by the end of the year, on our Writers's Pathway.</p>	<p>Progress on Writer's Pathway</p> <p>Tūi (Y3 & 4) target group</p>  <table><thead><tr><th>number of sub-levels progressed</th><th>16x Year 3</th><th>6x Year 4</th></tr></thead><tbody><tr><td>0</td><td>4</td><td>0</td></tr><tr><td>1</td><td>3</td><td>1</td></tr><tr><td>2</td><td>6</td><td>2</td></tr><tr><td>3</td><td>1</td><td>3</td></tr><tr><td>4</td><td>0</td><td>1</td></tr></tbody></table>	number of sub-levels progressed	16x Year 3	6x Year 4	0	4	0	1	3	1	2	6	2	3	1	3	4	0	1	<ul style="list-style-type: none">- 1 Tūi kaiako worked with a Literacy facilitator as part of the Accelerated Learning in Literacy programme.- Selected ākonga received additional small group writing sessions with kaiako- Explicit teaching of specific skills- Relational teaching approach <p>NB: 1 sub-level is acceptable progress over 1 year, if over 2 years the ākonga progresses 3 sub-levels.</p>
number of sub-levels progressed	16x Year 3	6x Year 4																		
0	4	0																		
1	3	1																		
2	6	2																		
3	1	3																		
4	0	1																		
<p>8/16 Y3 ākonga made more than a year's worth of progress, and met the end of year expectations.</p> <p>8/16 Y3 ākonga did not make sufficient progress according to end of year Overall kaiako Judgement. Within this group 4 ākonga are 'just below' expectations while the other 4 are further behind.</p> <p>3/6 Y4 ākonga made more than a year's worth of progress, while another 2/6 made good progress. All of these ākonga met end of year expectations.</p> <p>1/6 Y 4 ākonga made some progress, but did not meet end of year expectations according to kaiako overall judgements.</p>																				
<p>Target 3</p> <p>Kererū Writing Target (a)</p> <p>18 priority learners will make more than 1 years worth of progress to achieve curriculum expectations by the end of the year.</p> <p>17 ākonga in this group achieved the target.</p> <ul style="list-style-type: none">- 1 ākonga made significant progress and is just 1 sub-level away from meeting the year level expectation.	<p>Achievement in Writing</p> <p>Kererū target group 1</p>  <table><thead><tr><th>Achievement</th><th>Count</th></tr></thead><tbody><tr><td>Meeting or exceeding</td><td>17</td></tr><tr><td>Not Yet Meeting Expectations</td><td>1</td></tr></tbody></table>	Achievement	Count	Meeting or exceeding	17	Not Yet Meeting Expectations	1	<ul style="list-style-type: none">- Strong writing focus across the year- Explicit needs based instruction provided in workshops on a 'just in time' and 'as needed' approach- Additional staffing allocated (using MOE COVID response funding) which allowed for small groups in second half of the year												
Achievement	Count																			
Meeting or exceeding	17																			
Not Yet Meeting Expectations	1																			

<p>Target 4</p> <p>Kererū Writing Target (b)</p> <p>7 priority learners will make more than 1 years progress towards achieving curriculum expectations by the end of Year 8.</p> <p>All 7 ākonga in this group achieved the target</p> <ul style="list-style-type: none">- 5 are now meeting year level expectations- 2 have made more than a year's worth of progress and are on track to achieving expectations by the end of Year 8.	<p>Progress on Writer's Pathway <i>Kererū (Y5 & 6) target group: 7</i></p>  <table><caption>Progress on Writer's Pathway Data</caption><thead><tr><th>Number of ākonga</th><th>No sub-levels</th></tr></thead><tbody><tr><td>1</td><td>3</td></tr><tr><td>2</td><td>2</td></tr><tr><td>4</td><td>1</td></tr></tbody></table>	Number of ākonga	No sub-levels	1	3	2	2	4	1	<ul style="list-style-type: none">- 1 Kererū kaiako worked with a Literacy facilitator as part of the Accelerated Learning in Literacy programme.- Selected ākonga received additional small group writing sessions with kaiako- Explicit teaching of specific skills- Relational teaching approach- The school sought grant funding for some ākonga and this allowed 4 of this group to receive 1:1 tuition once a week.
Number of ākonga	No sub-levels									
1	3									
2	2									
4	1									
<p>Target 4</p> <p>Kererū Writing Target (c)</p> <p>4 priority learners were supported to meet their individual goals.</p> <p><i>*Further comment here would identify students</i></p>										
<p>Reasons for the variance? – Why did it happen?</p> <ol style="list-style-type: none">1. Introduction of BSLA at Year 1 and 2 has been highly beneficial.2. Provision of advice and guidance from an expert facilitator (ALL) has enabled kaiako to have clarity about what to teach and how to organise for learning. The extra staffing provision the ALL programme provides has allowed kaiako to spend more time with ākonga who need more support than normal.3. Attendance and lateness is likely to have negatively impacted on the achievement of some ākonga, with many in the target groups having higher non-attendance than the rest of the school due to either ‘medical’ or ‘holidays in term time’.4. Ākonga in the target groups have a wide range of diverse learning needs, which are not easily catered for within a normal classroom programme.										
<p>Evaluation – Where to next?</p> <ol style="list-style-type: none">1. Kaiako in Kōtare (Year 1 & 2) will continue BSLA training, either the first year or second year2. Continue to implement the ALL programme in Tūi, enabling another 2 kaiako to receive support in teaching literacy from an expert facilitator.3. Continue to seek grant funding from local community organisations to provide 1:1 tuition for children with high learning needs4. Staff new to the school and some teacher aides should receive training to implement SHARP reading.										

5. Ensure that ākonga have opportunities to develop literacy and numeracy skills across the curriculum, i.e. kaiako should consider how they can incorporate reading, writing or numeracy into Discovery and Health programmes to ensure we have a cohesive local curriculum where learning happens in real life contexts.
6. Ensure that kaiako at all levels of the school receive sufficient support to implement learning programmes that will meet the diverse needs of our learners.

