

Ponsonby Intermediate School

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Principal: Nick Wilson

PONSONBY INTERMEDIATE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number	1445
Principal	Mr Nick Wilson
School Address	50 Clarence Street Ponsonby, Auckland
School Postal Address	50 Clarence Street Ponsonby, Auckland
School Phone	(09) 376-0096
School E-mail Address	office@ponsint.school.nz

Members of the Board of Trustees

Name	Position	How Gained	Position	Term Expires
Nick Wilson	Principal	Ex officio	Principal	
Andy Wilson	Staff Representative	Elected	Teacher	September 2025
Carla Hood	Treasurer	Elected	Financial Controller	September 2025
Paul Marsick	Parent Representative	Elected	Bank Manager	September 2025
Angela Dixon	Parent Representative	Elected	Company Director	September 2025
Adam Dodds	Parent Representative	Elected	Business Owner	September 2025
Damien Leng	Parent Representative	Elected	Head of Consumer Finance	September 2025

Accountant/Service Provider The Practice Consultants Ltd

N. Wilson 21.6.23

Carla Hood
21.06.23

Ponsonby Intermediate School

50 Clarence Street
Ponsonby, Auckland 1011

energised achievers; ready for the future.

Articulate,

PONSONBY INTERMEDIATE SCHOOL
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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PONSONBY INTERMEDIATE SCHOOL

Statement of Responsibility

For the year ended 31 December 2022

The Board of Trustees 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.

CRS Hood

Full Name of Board Chairperson

Carl R Hood

Signature of Board Chairperson

28/06/23

Date:

Nick Wilson

Full Name of Principal

N. Wilson

Signature of Principal

21.6.23

Date:

PONSONBY INTERMEDIATE 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	5,989,266	6,060,000	5,686,796
Locally Raised Funds	3	576,141	271,500	417,863
Interest Income		16,252	10,000	9,240
Gain on Sale of Property, Plant and Equipment		1,391	-	-
Other Revenue	25	-	-	718,496
		<u>6,583,050</u>	<u>6,341,500</u>	<u>6,832,395</u>
Expenses				
Locally Raised Funds	3	244,125	5,550	87,376
Learning Resources	4	3,434,749	3,230,850	3,281,718
Administration	5	383,872	338,700	324,479
Finance		2,286	12,000	1,456
Property	6	2,617,942	2,781,016	2,520,321
Loss on Disposal of Property, Plant and Equipment		2,901	-	-
Other Expenses	25	-	-	430,146
		<u>6,685,875</u>	<u>6,368,116</u>	<u>6,645,496</u>
Net Surplus/(Deficit) for the year		<u>(102,825)</u>	<u>(26,616)</u>	<u>186,899</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>\$ (102,825)</u>	<u>\$ (26,616)</u>	<u>\$ 186,899</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.

PONSONBY INTERMEDIATE SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January	1,429,876	1,429,876	1,242,977
Total Comprehensive Revenue and Expense for the Year	(102,825)	(26,616)	186,899
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	54,673	-	-
Contribution - Te Mana Tuhono Grant	37,067	-	-
Equity at 31 December	<u>\$ 1,418,791</u>	<u>\$ 1,403,260</u>	<u>\$ 1,429,876</u>
Accumulated Comprehensive Revenue and Expense	1,418,791	1,403,260	1,429,876
Reserves	-	-	-
Equity at 31 December	<u>\$ 1,418,791</u>	<u>\$ 1,403,260</u>	<u>\$ 1,429,876</u>

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.

PONSONBY INTERMEDIATE 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	214,927	51,028	241,933
Accounts Receivable	8	261,504	202,436	203,931
GST Receivable		752	-	4,150
Prepayments		15,673	17,363	17,363
Inventories	9	45,329	55,404	55,404
Investments	10	616,171	631,227	631,227
		<u>1,154,356</u>	<u>957,458</u>	<u>1,154,008</u>
Current Liabilities				
Accounts Payable	12	370,843	291,879	343,678
Revenue Received in Advance	13	7,930	-	-
GST Payable		-	1,184	-
Funds held for Capital Works Projects	14	143,155	-	176,367
Provision for Cyclical Maintenance	15	26,925	3,975	39,368
Finance Lease Liability	16	12,551	1,924	5,628
		<u>561,404</u>	<u>298,962</u>	<u>565,041</u>
Working Capital Surplus/(Deficit)		<u>592,952</u>	<u>658,496</u>	<u>588,967</u>
Non Current Assets				
Property, Plant and Equipment	11	927,201	832,971	910,971
		<u>927,201</u>	<u>832,971</u>	<u>910,971</u>
Non Current Liabilities				
Provision for Cyclical Maintenance	15	86,758	88,207	68,138
Finance Lease Liability	16	14,604	-	1,924
		<u>101,362</u>	<u>88,207</u>	<u>70,062</u>
Net Assets		<u>\$ 1,418,791</u>	<u>\$ 1,403,260</u>	<u>\$ 1,429,876</u>
Equity		<u>\$ 1,418,791</u>	<u>\$ 1,403,260</u>	<u>\$ 1,429,876</u>

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

PONSONBY INTERMEDIATE SCHOOL

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash Flows from Operating Activities				
Government Grants		929,704	808,201	882,806
Locally Raised Funds		541,608	261,500	389,086
International Students		42,463	10,000	(5,823)
Goods and Services Tax (net)		4,173	5,529	32,123
Payments to Employees		(565,984)	(478,000)	(575,604)
Payments to Suppliers		(885,479)	(545,600)	(1,069,101)
Proceeds from Insurance Claim		1,300	1,300	717,196
Cyclical Maintenance Payments		(13,790)	(42,840)	(37,977)
Interest Paid		(2,286)	(12,000)	(1,456)
Interest Received		11,150	10,000	9,531
Net Cash from/(to) the Operating Activities		62,859	18,090	340,781
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment		(121,093)	(27,000)	(372,286)
Purchase of Investments		(616,171)	(631,277)	(631,227)
Proceeds from Sale of Investments		631,227	631,277	724,894
Net Cash from/(to) the Investing Activities		(106,037)	(27,000)	(278,619)
Cash Flows from Financing Activities				
Finance Lease Payments		(5,289)	(5,628)	(6,743)
Furniture and Equipment Grant		54,673	-	-
Funds Held for Capital Works Projects		(33,212)	(176,367)	6,997
Net Cash from/(to) the Financing Activities		16,172	(181,995)	254
Net Increase/(Decrease) in Cash and Cash Equivalents		(27,006)	(190,905)	62,416
Cash and Cash Equivalents at the Beginning of the Year	7	241,933	241,933	179,517
Cash and Cash Equivalents at the End of the Year	7	<u>\$ 214,927</u>	<u>\$ 51,028</u>	<u>\$ 241,933</u>

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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2022

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

Critical Accounting Estimates And Assumptions (cont'd)

Cyclical maintenance

A school recognises the obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of 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 15.

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 the risks and rewards incidental to ownership of an underlying 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 16. Future operating lease commitments are disclosed in note 21(b).

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 Schools

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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

Government Grants Schools (cont'd)

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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

g) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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 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 leased 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives. The estimated useful lives of the assets are:

Furniture and equipment	3 - 10 years
Information and communications technology	3 - 10 years
Building improvements	40 years
Motor vehicles	5 years
Leased assets held under a finance lease	3 - 5 years
Library books	12.5% Diminishing value

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

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

Non cash generating assets

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

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

In determining fair value less costs to sell the School engages an independent valuer to assess market value based on the best available information.

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

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

l) Accounts Payable

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

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are expected to be settled within twelve months after the end of the reporting period in which the employee provides 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 twelve 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 year in which they arise.

n) Revenue Received in Advance

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

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

o) Funds held for Capital Works

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

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

p) Provision for Cyclical Maintenance

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

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

The School carries out painting maintenance of the whole school over a 6 to 8 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

q) Financial Instruments

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

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 and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

r) Goods and Services Tax (GST)

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

The net amount of GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services Received In-kind

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

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

2 Government Grants

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government grants - Ministry of Education	997,795	860,000	891,222
Teachers' salaries grants	2,698,713	2,700,000	2,561,671
Use of land and buildings grants	2,292,758	2,500,000	2,233,903
	<u>\$ 5,989,266</u>	<u>\$ 6,060,000</u>	<u>\$ 5,686,796</u>

3 Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
<i>Revenue</i>			
Donations	270,993	232,000	271,806
Trading	46,522	8,000	41,392
Fees for extra curricular activities	223,136	21,500	74,876
Fundraising and community grants	957	-	1,012
International student fees	34,533	10,000	28,777
	<u>576,141</u>	<u>271,500</u>	<u>417,863</u>
<i>Expenses</i>			
Trading	33,933	-	30,198
Extra curricular activities costs	207,583	4,050	51,475
International student fees - other expenses	2,609	1,500	5,703
	<u>244,125</u>	<u>5,550</u>	<u>87,376</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>\$ 332,016</u>	<u>\$ 265,950</u>	<u>\$ 330,487</u>

During the year the school hosted 2 international students (2021:3).

4 Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	207,055	136,350	151,513
Equipment repairs	5,504	4,500	299
Information and communication technology	22,023	20,500	34,977
Library resources	3,088	5,000	3,727
Staff development	9,568	19,500	36,964
Employee benefits - salaries	3,009,589	2,940,000	2,879,701
Depreciation	177,922	105,000	174,537
	<u>\$ 3,434,749</u>	<u>\$ 3,230,850</u>	<u>\$ 3,281,718</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

5 Administration

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
ACC premiums	10,325	2,000	9,734
Advertising	3,984	5,000	4,199
Audit fees	10,921	10,250	10,603
Board of Trustees fees	3,075	3,800	3,590
Board of Trustees expenses	6,291	14,900	4,086
Communication	13,693	18,000	17,754
Consumables	27,356	29,500	24,601
Insurance	15,061	25,000	19,662
Operating lease	2,176	800	2,154
Other	48,897	22,950	28,670
Service providers, contractors and consultancy	19,855	16,000	19,787
Employee benefits - salaries	222,238	190,500	179,639
	<u>\$ 383,872</u>	<u>\$ 338,700</u>	<u>\$ 324,479</u>

6 Property

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Caretaking and cleaning consumables	23,112	17,400	16,313
Consultancy and contract services	62,596	56,000	55,000
Cyclical maintenance provision	19,967	27,516	46,304
Grounds	27,956	31,500	30,516
Heat, light and water	40,538	33,500	30,457
Repairs and maintenance	89,525	59,100	48,992
Use of land and buildings	2,292,758	2,500,000	2,233,903
Security	19,722	8,500	14,121
Employee benefits - salaries	41,768	47,500	44,715
	<u>\$ 2,617,942</u>	<u>\$ 2,781,016</u>	<u>\$ 2,520,321</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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

7 Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank accounts	214,927	51,028	241,933
	<u>\$ 214,927</u>	<u>\$ 51,028</u>	<u>\$ 241,933</u>

Of the \$214,927 Cash and Cash Equivalents, \$143,155 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2023 on Crown owned school buildings under the School's Five Year Property Plan.

8 Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	4,715	-	-
Receivables from the Ministry of Education	-	-	1,495
Interest receivable	8,083	2,981	2,981
Teachers salaries grant receivable	248,706	199,455	199,455
	<u>\$ 261,504</u>	<u>\$ 202,436</u>	<u>\$ 203,931</u>
Receivables from exchange transactions	12,798	2,981	2,981
Receivables from non-exchange transactions	248,706	199,455	200,950
	<u>\$ 261,504</u>	<u>\$ 202,436</u>	<u>\$ 203,931</u>

9 Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Uniforms	45,329	55,404	55,404
	<u>\$ 45,329</u>	<u>\$ 55,404</u>	<u>\$ 55,404</u>

10 Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current asset	616,171	631,227	631,227
Short-term bank deposits	616,171	631,227	631,227
	<u>\$ 616,171</u>	<u>\$ 631,227</u>	<u>\$ 631,227</u>

11 Property, Plant and Equipment

	Opening				
	Balance (NBV)	Additions	Disposals	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$
Building improvements	389,787	52,767	-	(12,119)	430,435
Furniture and equipment	305,026	20,839	-	(61,920)	263,945
Information and communication	173,594	116,406	(2,901)	(98,074)	189,025
Motor vehicles	-	4,074	-	(272)	3,802
Library resources	42,564	2,967	-	(5,537)	39,994
Balance at 31 December 2022	<u>\$ 910,971</u>	<u>\$ 197,053</u>	<u>\$ (2,901)</u>	<u>\$ (177,922)</u>	<u>\$ 927,201</u>

The net carrying value of equipment held under a finance lease is \$24,936 (2021: \$6,604).

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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

11 Property, Plant and Equipment (cont'd)

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building improvements	515,521	(85,086)	430,435	462,754	(72,967)	389,787
Furniture and equipment	783,308	(519,363)	263,945	762,469	(457,443)	305,026
Information and communication	838,402	(649,377)	189,025	810,414	(636,820)	173,594
Motor vehicles	40,499	(36,697)	3,802	52,512	(52,512)	-
Library resources	141,489	(101,495)	39,994	138,522	(95,958)	42,564
Balance at 31 December	\$ 2,319,219	\$ (1,392,018)	\$ 927,201	\$ 2,226,671	\$ (1,315,700)	\$ 910,971

12 Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	60,049	49,160	49,160
Accruals	17,421	16,103	16,103
Employee entitlements - leave accrual	44,667	27,161	27,161
Employee entitlements - salaries	248,706	199,455	199,455
Banking staffing overuse	-	-	51,799
	\$ 370,843	\$ 291,879	\$ 343,678
Payables for exchange transactions	370,843	291,879	343,678
	\$ 370,843	\$ 291,879	\$ 343,678

The carrying value of payables approximates their fair value.

13 Revenue Received in Advance

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International student fees in advance	7,930	-	-
	\$ 7,930	\$ -	\$ -

14 Funds Held for Capital Works Projects

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

		Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
2022		\$	\$	\$	\$	\$
Roofing	<i>in progress</i>	-	300,000	(267,252)	-	32,748
Classroom upgrade	<i>in progress</i>	-	177,174	(94,333)	-	82,841
SIP projects	<i>in progress</i>	176,367	-	(148,801)	-	27,566
Totals		\$ 176,367	\$ 477,174	\$ (510,386)	\$ -	\$ 143,155

Represented by:

Funds held on behalf of the Ministry of Education

143,155
\$ 143,155

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

14 Funds Held for Capital Works Projects (cont'd)

		Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
2021		\$	\$	\$	\$	\$
SIP projects	<i>in progress</i>	169,370	3,830	3,167	-	176,367
Totals		<u>\$ 169,370</u>	<u>\$ 3,830</u>	<u>\$ 3,167</u>	<u>\$ -</u>	<u>\$ 176,367</u>

Represented by:

Funds held on behalf of the Ministry of Education

176,367
\$ 176,367

15 Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the start of the year	107,506	107,506	99,179
Increase/(decrease) to the provision during the year	19,967	27,516	46,304
Use of the provision during the year	(13,790)	(42,840)	(37,977)
Provision at the end of the year	<u>\$ 113,683</u>	<u>\$ 92,182</u>	<u>\$ 107,506</u>
Cyclical maintenance - current	26,925	3,975	39,368
Cyclical maintenance - non current	86,758	88,207	68,138
	<u>\$ 113,683</u>	<u>\$ 92,182</u>	<u>\$ 107,506</u>

Per the cyclical maintenance schedule the School in next expected to undertake painting working during 2023. This plan is based on the School's property plan.

The School's cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the Schools property plan.

16 Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No later than one year	14,445	2,006	5,988
Later than one year and no later than five years	15,548	-	2,006
Future finance charges	(2,838)	(82)	(442)
	<u>\$ 27,155</u>	<u>\$ 1,924</u>	<u>\$ 7,552</u>
Finance lease liability - current	12,551	1,924	5,628
Finance lease liability - non current	14,604	-	1,924
	<u>\$ 27,155</u>	<u>\$ 1,924</u>	<u>\$ 7,552</u>

17 Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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 normal terms and conditions for such transactions.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

18 Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board members</i>		
Remuneration	3,075	3,590
<i>Leadership team</i>		
Remuneration	1,084,461	1,025,890
Full-time equivalent members	10.00	9.40
Total key management personnel remuneration	1,087,536	1,029,480

There are 6 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (2 members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and other short-term employee benefits:		
Salary and other payments	150-160	140-150
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 Number	2021 Number
100-110	5	5
110-120	2	1
120-130	-	1

The disclosure for "other employees" does not include remuneration of the Principal.

19 Compensation and Other Benefits Upon Leaving

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

	2022 Actual \$	2021 Actual \$
Total	-	-
Number of people	-	-

20 Contingencies

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

Holidays Act Compliance - schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact of any specific individual will not be known until further detailed analysis and solutions have been completed.

Notes to the Financial Statements

20 Contingencies (cont'd)

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

TAPEC wash-up funding

The Ministry of Education provided additional funding for both the Support Staff in Schools Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Scheme. The School has not been notified of the final wash-up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at date of reporting.

21 Commitments

(a) Capital commitments

As at 31 December 2022 the Board has not entered into any contract agreements for capital works (Contract agreements for capital works at 31 December 2021: \$nil).

(b) Operating commitments

As at 31 December 2022 the Board has not entered into any operating contracts (Operating commitments as 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	214,927	51,028	241,933
Receivables	261,504	202,436	203,931
Investments - term deposits	616,171	631,227	631,227
Total financial assets measured at amortised cost	<u>\$ 1,092,602</u>	<u>\$ 884,691</u>	<u>\$ 1,077,091</u>

Financial liabilities measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Payables	370,843	291,879	343,678
Finance leases	27,155	1,924	7,552
Total financial liabilities measured at amortised cost	<u>\$ 397,998</u>	<u>\$ 293,803</u>	<u>\$ 351,230</u>

23 Comparatives

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

24 Events after Balance Date

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

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

25 Insurance Claim

On 9 December 2020 there was a fire which destroyed a classroom block. The insurance claim was shown last year as Other Revenue of \$718,496 comprising \$256,024 received from the Ministry of Education and \$462,472 from other insurers. The cost of replacing consumable items destroyed in the fire and other costs associated with the fire were shown as Other Expenses of \$430,146.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PONSONBY INTERMEDIATE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Ponsonby Intermediate School (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 21 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 of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, 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.

A handwritten signature in black ink, appearing to read "M. Laing", with a horizontal line drawn underneath the name.

Matt Laing
Partner
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand