

WAIPA CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Ministry Number: 266

Principal: Jaco Labuschagne

School Address: 93 Chapel Drive, Te Awamutu, Hamilton 3800

School Postal Address: 93 Chapel Drive, Te Awamutu, Hamilton 3800

School Phone: (07) 871 4520

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Accountant/Service Provider: Accounting for Schools Limited

WAIPA CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2022

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WAIPA CHRISTIAN 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.

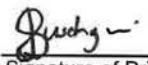
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Jacob Wilmoth
Full Name of Presiding Member

JACO LABUSCHAGNE
Full Name of Principal


Signature of Presiding Member


Signature of Principal

12-5-2023
Date:

12 May 2023
Date:

WAIPA CHRISTIAN SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	554,381	532,556	728,706
Locally Raised Funds	3	64,674	49,500	65,321
Use of Proprietors Land and Buildings		125,800	125,000	125,800
Interest Earned		1,182	100	174
		<u>746,037</u>	<u>707,156</u>	<u>920,001</u>
Expenses				
Locally Raised Funds	3	15,686	11,547	9,232
Learning Resources	4	498,854	485,678	682,894
Administration	5	99,967	85,939	70,539
Finance Costs		412	-	326
Property	6	187,027	152,444	174,007
Loss on Disposal of Property, Plant and Equipment		1,592	-	5,076
Other Expenses		85	1,500	431
		<u>803,623</u>	<u>737,108</u>	<u>942,505</u>
Net Surplus for the Year		(57,586)	(29,952)	(22,504)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(57,586)	(29,952)	(22,504)

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



WAIPA CHRISTIAN SCHOOL
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2022

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January	190,094	190,094	209,786
Total comprehensive revenue and expense for the year	(57,586)	(29,952)	(22,504)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	2,850	-	2,812
Scholarship Reserve	37,445	-	-
Equity at 31 December	172,803	160,142	190,094
Accumulated comprehensive revenue and expense	135,358	160,142	190,094
Scholarship Reserve	37,445	-	-
Equity at 31 December	172,803	160,142	190,094

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.



WAIPA CHRISTIAN SCHOOL

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	166,243	156,820	192,694
Accounts Receivable	9	48,087	50,022	53,188
GST Receivable		1,663	2,500	2,387
Inventories	10	9,709	5,000	6,481
Prepayments		601	1,500	1,838
Transport Network	16	2,257	2,000	2,063
		<u>228,560</u>	<u>217,842</u>	<u>258,651</u>
Current Liabilities				
Accounts Payable	12	58,320	47,200	48,482
Finance Lease Liability	15	2,288	2,000	3,108
Funds held on behalf of RTLit Cluser		-	-	56,607
Provision for Cyclical Maintenance	14	23,323	-	-
Revenue Received in Advance	13	1,746	37,000	36,427
		<u>85,677</u>	<u>86,200</u>	<u>144,624</u>
Working Capital Surplus		<u>142,883</u>	<u>131,642</u>	<u>114,027</u>
Non-current Assets				
Property, Plant and Equipment	11	60,667	60,000	97,125
		<u>60,667</u>	<u>60,000</u>	<u>97,125</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	29,528	30,000	17,600
Finance Lease Liability	15	1,219	1,500	3,458
		<u>30,747</u>	<u>31,500</u>	<u>21,058</u>
Net Assets		<u>172,803</u>	<u>160,142</u>	<u>190,094</u>
Equity		<u>172,803</u>	<u>160,142</u>	<u>190,094</u>

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



WAIPA CHRISTIAN SCHOOL

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		159,766	141,333	197,404
Locally Raised Funds		46,234	38,921	60,023
Goods and Services Tax (net)		726	(114)	1,168
Payments to Employees		(165,005)	(114,912)	(149,814)
Payments to Suppliers		(71,487)	(63,637)	(96,364)
Interest Paid		(412)	-	(326)
Interest Received		1,033	-	158
Net cash from / (to) the Operating Activities		(29,145)	1,591	12,249
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		(1,592)	100	(5,076)
Purchase of PPE (and Intangibles)		16,365	22,108	(36,056)
Net cash from / (to) the Investing Activities		14,773	22,208	(41,132)
Cash flows from Financing Activities				
Furniture and Equipment Grant		40,295	-	2,812
Finance Lease Payments		4,234	(3,066)	(3,867)
Funds Administered on Behalf of Third Parties		(56,608)	(56,607)	7,854
Net cash from Financing Activities		(12,079)	(59,673)	6,799
Net increase/(decrease) in cash and cash equivalents		(26,451)	(35,874)	(22,084)
Cash and cash equivalents at the beginning of the year	8	192,694	192,694	214,778
Cash and cash equivalents at the end of the year	8	166,243	156,820	192,694

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.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Waipa Christian 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 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.

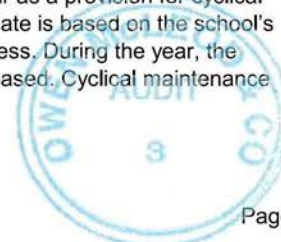
Critical Accounting Estimates And Assumptions

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.

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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 15. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the 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.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 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 comprise 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.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

j) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 to buildings owned by the Proprietor 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.

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–75 years
Board Owned Buildings	10–75 years
Furniture and Equipment	10 - 15 years
Information Technology	4 - 5 years
Leased Assets	3 - 5 years
Leased Improvements	10 - 20 years
Library resources	12.5% Diminishing value
Motor vehicles	10 years



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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

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

Non cash generating assets

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

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

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 [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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

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

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also 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.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

n) Revenue Received in Advance

Revenue received in advance relates to fees received from 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 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 Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Proprietor. The Proprietor 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.

q) Financial Instruments

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

The School's financial liabilities comprise accounts payable, 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.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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



WAIPA CHRISTIAN SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants	175,608	132,556	177,589
Teachers' Salaries Grants	378,773	400,000	551,117
	<u>554,381</u>	<u>532,556</u>	<u>728,706</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Fees for Extra Curricular Activities	7,013	-	7,510
Donations & Bequests	47,857	43,000	47,969
Fundraising & Community Grants	2,800	-	3,464
Trading	7,004	6,500	6,378
	<u>64,674</u>	<u>49,500</u>	<u>65,321</u>
Expenses			
Extra Curricular Activities Costs	7,789	5,047	3,519
Trading	7,566	6,000	4,213
Fundraising & Community Grants Costs	331	500	1,500
	<u>15,686</u>	<u>11,547</u>	<u>9,232</u>
<i>Surplus for the year Locally raised funds</i>	<u>48,988</u>	<u>37,953</u>	<u>56,089</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	6,532	5,200	9,827
Depreciation	12,798	15,018	15,574
Employee Benefits - Salaries	474,539	461,000	653,920
Library Resources	355	560	385
Staff Development	4,630	3,900	3,188
	<u>498,854</u>	<u>485,678</u>	<u>682,894</u>



WAIPA CHRISTIAN SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,738	4,120	4,000
Board of Trustees Expenses	803	700	-
Board of Trustees Fees	3,325	5,000	4,220
Communication	1,535	1,505	1,555
Consumables	1,006	1,600	913
Employee Benefits - Salaries	71,340	53,000	37,066
Insurance	960	400	1,056
Other	9,681	13,074	11,496
Service Providers, Contractors and Consultancy	6,579	6,540	10,233
	<u>99,967</u>	<u>85,939</u>	<u>70,539</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,640	3,000	2,871
Consultancy and Contract Services	1,148	-	13,585
Cyclical Maintenance Provision	35,251	3,630	4,470
Employee Benefits - Salaries	6,849	6,000	5,237
Grounds	4,108	4,300	6,846
Heat, Light and Water	4,497	4,514	4,074
Repairs and Maintenance	5,734	6,000	11,124
Use of Land and Buildings	125,800	125,000	125,800
	<u>187,027</u>	<u>152,444</u>	<u>174,007</u>

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

7. Other Expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Transport	85	1,500	431
	<u>85</u>	<u>1,500</u>	<u>431</u>

8. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Call Account	85,643	80,000	69,239
Current Account - BOT	80,600	76,820	123,455
Net cash and cash equivalents for Statement of Cash Flow	<u>166,243</u>	<u>156,820</u>	<u>192,694</u>

WAIPA CHRISTIAN SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

9. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables from the Ministry of Education	6,623	-	4,366
Interest Receivable	169	20	20
Receivables	7,398	15,000	8,196
Teacher Salaries Grant Receivable	33,897	35,000	40,606
	<u>48,087</u>	<u>50,020</u>	<u>53,188</u>
Receivables from Exchange Transactions	14,190	15,020	12,582
Receivables from Non-Exchange Transactions	33,897	35,000	40,606
	<u>48,087</u>	<u>50,020</u>	<u>53,188</u>

10. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	9,709	5,000	6,481

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	8,127	-	-	-	(648)	7,479
Buildings	1,112	-	-	-	(233)	879
Furniture and Equipment	38,977	4,467	(1,366)	-	(4,479)	37,599
Information Technology	11,735	-	-	-	(4,089)	7,646
Leased Assets	6,487	-	(227)	-	(2,854)	3,406
Library Resources	3,710	443	-	-	(495)	3,658
Motor Vehicles	26,977	-	(26,977)	-	-	-
Balance at 31 December 2022	<u>97,125</u>	<u>4,910</u>	<u>(28,570)</u>	<u>-</u>	<u>(12,798)</u>	<u>60,667</u>

The net carrying value of equipment held under a finance lease is \$3,406 (2021: \$6,487).

The net carrying value of motor vehicle held by the School is \$0 (2021: \$26,977).

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Buildings	4,190	(3,311)	879	4,190	(3,078)	1,112
Building Improvements	9,700	(2,221)	7,479	9,700	(1,573)	8,127
Furniture and Equipment	74,162	(36,563)	37,599	75,924	(36,947)	38,977
Information Technology	55,196	(47,550)	7,646	55,196	(43,461)	11,735
Leased Assets	10,540	(7,134)	3,406	17,833	(11,346)	6,487
Library Resources	13,801	(10,143)	3,658	13,359	(9,649)	3,710
Motor Vehicles	-	-	-	28,904	(1,927)	26,977
Balance at 31 December	<u>167,589</u>	<u>(106,922)</u>	<u>60,667</u>	<u>205,106</u>	<u>(107,981)</u>	<u>97,125</u>

WAIPA CHRISTIAN SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	4,497	3,500	3,464
Accruals	4,738	3,200	4,000
Banking staffing overuse	7,643	-	-
Employee Entitlements - salaries	39,879	40,000	40,606
Employee Entitlements - leave accrual	1,563	500	412
	<u>58,320</u>	<u>47,200</u>	<u>48,482</u>
Payables for Exchange Transactions	58,320	47,200	48,482
	<u>58,320</u>	<u>47,200</u>	<u>48,482</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Scholarships in Advance	-	35,000	30,589
Attendance Dues in Advance	983	1,000	1,687
Income in Advance	763	1,000	4,151
	<u>1,746</u>	<u>37,000</u>	<u>36,427</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	17,600	17,600	13,130
Increase to the Provision During the Year	35,251	12,400	4,470
Provision at the End of the Year	<u>52,851</u>	<u>30,000</u>	<u>17,600</u>
Cyclical Maintenance - Current	23,323	-	-
Cyclical Maintenance - Non Current	29,528	30,000	17,600
	<u>52,851</u>	<u>30,000</u>	<u>17,600</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

15. 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	2,485	2,350	3,443
Later than One Year and no Later than Five Years	1,255	1,650	3,590
Future Finance Charges	(233)	(500)	(467)
	<u>3,507</u>	<u>3,500</u>	<u>6,566</u>
Represented By			
Finance Lease Liability - Current	2,288	2,000	3,108
Finance Lease Liability - Non Current	1,219	1,500	3,458
	<u>3,507</u>	<u>3,500</u>	<u>6,566</u>

16. Transport Network

The School is a member school of Te Awamutu Combined Schools Transport network.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Opening Balance	2,063	2,063	2,253
Income	3,797	48,000	48,171
Expenses	(3,603)	(48,000)	(48,361)
Net Surplus / (Loss)	194	-	(190)
Closing Balance	<u>2,257</u>	<u>2,063</u>	<u>2,063</u>

17. Related Party Transactions

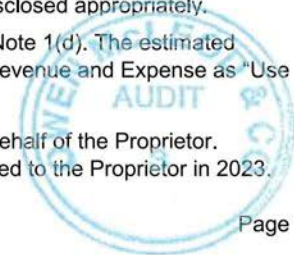
The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these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

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

The Proprietor of the School, Waipa Christian Education Trust, is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions have been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(d). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

During the 2022 year the Board collected Attendance Dues of 33,475 (2021: \$39,355) on behalf of the Proprietor. \$34,178 has been transferred to the Proprietor during the 2022 year. The rest was transferred to the Proprietor in 2023.



WAIPA CHRISTIAN SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2022

18. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i> Remuneration	3,325	4,220
<i>Leadership Team</i> Remuneration	114,868	114,067
Total key management personnel remuneration	<u>118,193</u>	<u>118,287</u>

There are 7 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. 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.

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	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

There were no other employees with remuneration greater than \$100,000.

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 member, 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 \$0	2021 Actual \$0
Total	\$0	\$0
Number of People		



WAIPA CHRISTIAN SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

20. Contingencies

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

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

Holidays Act Compliance – schools payroll

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

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

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

21. Commitments

(a) Capital Commitments

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

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any contracts (2021: nil).

22. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	166,243	156,820	192,694
Receivables	48,087	50,020	53,188
Total Financial assets measured at amortised cost	<u>214,330</u>	<u>206,840</u>	<u>245,882</u>
Financial liabilities measured at amortised cost			
Payables	58,320	47,200	48,482
Finance Leases	3,507	1,500	6,566
Total Financial Liabilities Measured at Amortised Cost	<u>61,827</u>	<u>48,700</u>	<u>55,048</u>

23. Events After Balance Date

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

24. Comparatives

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



WAIPA CHRISTIAN SCHOOL

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Term expired/expires
Jake Wilmoth	Presiding Member	Appointed	
Jaco Labuschangne	Principal & Parent Rep	Appointed	
Wendy Mills	Staff Rep	Elected Aug 2022	May 2025
Ash Grant	Parent Rep	Elected Aug 2022	May 2025
Anna Jones	Parent Rep	Elected Aug 2022	May 2025
Vink Brendan	Parent Rep	Elected Aug 2022	May 2025
Ryan Donovan	Parent Rep	Elected Aug 2022	May 2025
Phil Strong	Tresurer/ Proprietor Rep	Elected Aug 2022	May 2025

WAIPA CHRISTIAN SCHOOL
Kiwisport Statement
For the year ended 31 December 2022

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2022 the School received total Kiwisport funding of \$870 excluding GST (2021: \$996).

The funding was spent on whole school swimming lessons and sports equipment.

WAIPA CHRISTIAN SCHOOL

Statement of Compliance with Employment Policy

For the year ended 31 December 2022

For the year ended 31st December 2022 the Waipa Christian School Board:

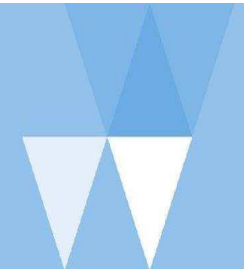
- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements 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.

Analysis of Variance Reporting



School Name:	Waipa Christian School		School Number:	266
Strategic Aim:	<p>Strategic Aims for 2021</p> <ol style="list-style-type: none"> 1) Developing systems and procedures around behaviour management (2018 - 2022) 2) To implement and embed a Biblically responsive local curriculum that reflects the special character of Waipa Christian School (3 - 5 years). 			
Annual Aim:	To raise the overall achievement levels of all students, with a specific focus on students identified as 'at risk'.			
Target:	Individual students were identified from December 2021 overall teacher judgments. A list was constructed using Curriculum Achievement Plans for Reading, Writing and Mathematics that helped to identify levels of support required. These individual students who achieved below, or well below the expected curriculum level made up the following numbers as identified at the start of the year (2022). These students came from a range of year groups.			
Baseline Data: <i>From December 2021 OTJ's</i>	<p>Reading: All students: 63/66 (95%) At, or above expected curriculum level</p> <p>Maori students: 10 /10 (100%) At, or above expected curriculum level</p> <p>NZ European: 44 /47 (94%) At, or above expected curriculum level</p> <p>MELAA students: 2/2 (100%) At, or above the expected curriculum level</p> <p>Asian students: 7/7 (100%) At, or above the</p>		<p>Writing: All students: 58/66 (88%) At, or above expected curriculum level</p> <p>Maori students: 8 /10 (80%) At, or above expected curriculum level</p> <p>NZ European: 42 /47 (89%) At, or above expected curriculum level</p> <p>MELAA students: 2/2 (100%) At, or above the expected curriculum level</p>	

Tātaritanga raraunga



	<p>expected curriculum level</p> <p>Boys: 34 /36 (95%) At, or above the expected curriculum level Girls: 29 /30 (97 %) At, or above the expected curriculum level</p> <p>Mathematics: All students: 63/66 (95%) At, or above expected curriculum level</p> <p>Maori students: 9 /10 (90%) At, or above expected curriculum level</p> <p>NZ European: 45 /47 (96%) At, or above expected curriculum level</p> <p>MELAA students: 2/2 (100%) At, or above the expected curriculum level</p> <p>Asian students: 7/7 (100%) At, or above the expected curriculum level</p> <p>Boys: 35/36 (97%) At, or above the expected curriculum level Girls: 28 /30 (93 %) At, or above the expected curriculum level</p>	<p>Asian students: 6/7 (86%) At, or above the expected curriculum level</p> <p>Boys: 30/36 (83%) At, or above the expected curriculum level Girls: 28 /30 (93 %) At, or above the expected curriculum level</p>
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Tātaritanga raraunga

Actions <i>What did we do?</i>	Outcomes <i>What happened - end of 2022 (OTJ's)</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>PB4L programme (Year 3, Tier 1) Our school values are now well understood and promoted throughout the school. We acknowledge positive behaviour with tokens, which counts as House Points. We've re-introduced a House Shield for the winning house.</p> <p>Biblically Responsive Pedagogies (BRP) This continues to be a major focus for development throughout our Kahui Ako. Our staff participated in professional development sessions on Te Reo and Tikanga Maori. Video conference sessions led by our Across School teachers and staff from Bethlehem Tertiary Institute.</p> <p>Learning Support Coordinator (LSC) Continued support from our LSC has ensured that we could monitor students throughout the year. She assisted with referrals to various agencies and development for teachers.</p> <p>STEPS(-web) targeted support programmes continued for students achieving well below their chronological age in literacy.</p> <p>RTLb support for 2 students.</p> <p>RtLit support for 2 students. Our RtLit sadly passed away in January 2022. Her replacement started in term 3,</p>	<p>Reading All students: 48 /53 (90%) At, or above expected curriculum level</p> <p>Maori students: 7 /7 (100%) At, or above expected curriculum level</p> <p>NZ European / Pakeha / Other European / Other: 29/33 (88%) At, or above expected curriculum level</p> <p>MELAA 3/3 (100%) At, or above expected curriculum level</p> <p>Asian: 8/9(89%) At, or above expected curriculum level</p> <p>Boys: 27/32 (84%) Girls: 21 /21 (100%)</p> <p>Writing All students: 43/53 (81%) At, or above expected curriculum level</p> <p>Maori students: 5/7 (71%) At, or above expected curriculum level</p> <p>NZ European / Pakeha / Other European / Other: 28/33 (85%) At, or above expected curriculum level</p> <p>Asian: 6/9(67%) At, or above expected curriculum level</p> <p>MELAA: 3/3 (100%) At, or above expected curriculum level</p>	<p>We had small, but steady roll numbers throughout the year. Having gone back to 3 classrooms, has helped us to consolidate practice. Smaller class sizes helped us to know each student's needs and respond appropriately.</p> <p>Development in Biblically Responsive Pedagogies opened our 'eyes' to the diverse cultural backgrounds and influences we have in our school, and how to create learning environments that support learning for all students.</p> <p>Maori Student achievement We've noticed very pleasing results for our Maori students in reading, writing and mathematics. (see 2nd column for results)</p>	<p>Actions in 2023 Annual Plan</p> <p>BRP We will continue to work with the across- and within school teachers for our Kahui Ako with a Major focus on Biblically Responsive Pedagogies. This professional development will continue to be supported by Bethlehem Tertiary Institute.</p> <p>Brain Development Programme Our junior class teacher will work with the Brain Bloom Room to develop a programme for her class to help all students with Brain development. We hope to trial the programme from term 2, 2023.</p> <p>Service-Learning & Service culture We will implement and review service-learning as a pedagogy through unit plans and studies. This is a major focus across the Kahui Ako, and will continue to be supported by Across, and within school teachers.</p> <p>One strategic initiative over the next 3 years is to establish and embed a service culture at Waipa Christian School.</p> <p>Special Character Development A major strategic goal is the development of Head, Heart & Hands for our community. This involves the development of resources, guidelines, and practice that</p>

Tātaritanga raraunga

2022 and has made a significant impact already.

She also provided Professional Development for our Junior teacher with Guided Reading

ESOL support - 5 students received support from our ESOL trained teacher

Brain Bloom Room

5 of our junior students participated in this brain development programme. The programme is aimed at letting go of primitive reflexes from birth. Not letting go of these reflexes can become developmental barriers, which has a major influence on learning.

Boys: 24 /32 (75%)

Girls: 19/21 (90%)

Mathematics:

All students: 46/53 (87%) At, or above expected curriculum level

Maori students: 6/7 (86%) At, or above expected curriculum level

NZ European / Pakeha / Other

European / Other: 28 /33 (85%) At, or above expected curriculum level

Asian: 8/9 (89%) At, or above expected curriculum level

MELAA: 3/3 (100%) At, or above expected curriculum level

Boys: 27 /32 (85%)

Girls: 19/21 (90%)

will enhance the Christian Special Character of our school.

Priority Learners

We will continue to track and monitor the progress of our priority learners as identified from 2022 OTJ data., and reported on (to the Board of Trustees) throughout the year.

Curriculum Achievement Plans will be used to determine the level of intervention needed to support these learners. We will continue to make referrals to specialist agencies through our Learning Support Coordinator.

Attendance & Engagement

We'll aim to create a culture and learning environment where all students 'want to be' in order to make the most of every opportunity to attend school, and therefore learn.

Planning for next year:

Funding for annual goals will come from the Board of Trustees and Kahui Ako generated funds.

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Waipa Christian School (the School). The Auditor-General has appointed me, L Yao, using the staff and resources of Owen McLeod & Co Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 4 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 17 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board Members are responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on page 1 Statement of Responsibility, page 21 Members of the Board schedule, page 22 Kiwisport note and Page 23 statement of Compliance with Employment Policy, Analysis of Variance report on pages 1 to 4, cover page and index page, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



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

17 May 2023

The Board Members
Waipa Christian School
93 Chapel Drive
Te Awamutu 3800

Dear Board Members,

Audit Management Letter For The Year Ended 31 December 2022

1. Introduction

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

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

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

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

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

2. Responsibilities and Scope in Relation to the Audit

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

We are responsible for conducting the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) (ISA (NZ)) issued by the New Zealand Auditing and Assurance Standards Board, and forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

3. Timing of the Audit

The audit was completed and dated 17 May 2023.

4. Audit Opinion

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

5. Going Concern Assumption

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

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6. Management Judgements and Estimates

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

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

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

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

7. Materiality

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

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

8. Probity, Waste and Performance

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

9. Findings Arising from the Audit

School payroll controls

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

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

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

Updated guidance on payroll controls is now available

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

- timesheet history
- leave history
- activity history.

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

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

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

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

No current report in EdPay to check and approve Masterfile changes

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

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

Board Minutes

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

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

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

Sensitive expenditure

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

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

Use of Credit Cards

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

Expenses incurred by the Chairperson and the Principal

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

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

What we did

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

What we found

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

Conflicts of interest – Good practice resources available

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

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

Internet Banking

We note that there is no random check performed on creditors or staff bank account details and new payee details are not verified by a second person. To strengthen the payment internal control, we recommend that appropriate payment control procedures are put in place.

Key controls for internet banking include:

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

Internet Banking Authorization

We note that you are using internet banking for the payment of invoices.

We consider this is an acceptable method of payment only if there are two people with separate passwords involved in the process, i.e. one person keys in and someone "higher up" for example the Principal, BOT Treasurer or Presiding Member comes in and independently checks and approves the listed payments via a separate password.

We noted at the school visit that the school was not consistently following the "one up Principal for payments. We remind the school to review your procedures to ensure you are attaining this level of control.

Leave Accumulation

We noted that the school's annual leave report shows a considerable number of days leave owing to a staff member ie greater than 35 days. We note that steps are being taken to reduce this balance. We recommend that this balance continued to be monitored and reduced to around 25 days maximum.

Adjusted and Unadjusted misstatements

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

There were no unadjusted misstatements.

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

<i>Key Matters</i>	<i>Responses</i>
Revenue Recognition	We documented the revenue systems, carried out appropriate controls testing and substantive audit procedures to address the risk of fraud in revenue recognition. We did not identify any material errors in relation to revenue recognition, whether due to fraud.
Locally Raised Funds	We documented the system on Locally Raised Funds, assessed the control environment and completed analytical audit procedures to address the risk of material misstatements around the completeness of locally raised funds due to its nature-often being cash. We have not identified any material misstatements, due to fraud.
Payroll	Payroll is processed by EdPay. The reliability of payroll processing is dependent on appropriate approval of payroll changes, checking of the fortnightly SUE report and review of School Annual Accrual Report (SAAR). We have discussed with management and documented controls on payroll, carried out control testing, analytical procedures and substantive audit procedures to address the risk identified on payroll. We have not identified any material misstatements in payroll, whether due to fraud or error. However, we have made some recommendations in this letter.
Cyclical Maintenance Provision	Cyclical Maintenance is an area of judgement and could lead to material misstatement in the financial statements. For schools to be able to calculate the appropriate provision a painting plan needs to be prepared and/or reviewed by a suitably qualified person. We have obtained and reviewed the School's Plan and assessed that the provision at balance date is reasonably correct. However, we have raised some recommendation in this letter.
Management override	We have discussed with management controls on expenditure authorisation, tested manual journals, reviewed accounting estimates and significant transactions that are outside the normal course of business to address the presumed significant risk on management override. We have not identified any instances of management override. However, we have made some recommendations in this letter.
Qualitative Aspects of Accounting Practices	The accounting policies used by the entity are consistent with the previous year. We reviewed the accounting policies, accounting estimates and financial disclosures, we believe that these are appropriate.
Significant difficulties	During the audit, we encountered no significant difficulties.
Disagreements with Management	We have had no disagreements with management during our audit nor have we had any serious difficulties in dealing with management.
Written management representations	We received the standard signed representation letter for the year ended 31 December 2022. No other specific representations were requested
Other information	No material inconsistencies or misstatements were identified relating to the other information in the financial statements.

Other Significant matters	No other significant matters were raised from the audit.
Auditor Independence	We reaffirm we are independent of your organisation, and that we have no relationships with your organisation that impairs our independence.
Going Concern	No material uncertainties related to going concern were noted.
Non-compliance with Law or regulation	We have not identified any instances of noncompliance with Law or regulation.
Significant deficiencies in internal control	No significant deficiencies in internal control were noted, however we have made some recommendations in this letter.
Fraud	We have not identified any instances of fraud involving senior management or any other frauds that have caused material misstatement in the financial statements.
Significant Risks	We have not noted any significant risks or exposures that are required to be separately disclosed in the financial statements.

11. Conclusion

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

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

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

Yours faithfully
Owen McLeod & Co Ltd



Liyan Yao