

# PAPAKAIO SCHOOL



## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### School Directory

<b>Ministry Number:</b>	3798
<b>Principal:</b>	Damian Brown
<b>School Address:</b>	17 Papakaio Road, Oamaru
<b>School Postal Address:</b>	17 Papakaio Road RD 15K, Oamaru, 9494
<b>School Phone:</b>	03 431 7851
<b>School Email:</b>	<a href="mailto:office@papakaio.school.nz">office@papakaio.school.nz</a>

**Accountant / Service Provider:**

**Solutions & Services**  
Collaborative School Administration

# PAPAKAIO SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

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# Papakaio School

## Statement of Responsibility

For the year ended 31 December 2025

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 2025 fairly reflects the financial position and operations of the School.

The School's 2025 financial statements are authorised for issue by the Board.

Joseph Laming

Full Name of Presiding Member

Damian Brown

Full Name of Principal

[Signature]

Signature of Presiding Member

[Signature]

Signature of Principal

22/05/2026

Date:

22/5/2026

Date:

# Papakaio School

## Members of the Board

For the year ended 31 December 2025

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Joseph Laming	Presiding Member	Elected	Sep 2026
Damian Brown	Principal	ex Officio	
Hayley Easton	Parent Representative	Elected	Sep 2026
Nikki Wheeler	Staff Representative	Elected	Apr 2028
Jane Taafaki	Parent Representative	Elected	Sep 2028
Richard Dekker	Parent Representative	Elected	Sep 2028
Jackie Dalziel	Parent Representative	Elected	Sep 2028
Cat Cochrane	Staff Representative	Elected	Mar 2025
Stacey Butson	Parent Representative	Elected	Sep 2025
Ed Finlay	Presiding Member	Elected	Sep 2025
Jessica Wright	Parent Representative	Elected	Sep 2025

# Papakaio School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Revenue</b>				
Government Grants	2	1,571,287	1,426,551	1,464,722
Locally Raised Funds	3	102,311	131,306	169,718
Interest		453	3,000	3,640
<b>Total Revenue</b>		<b>1,674,051</b>	<b>1,560,857</b>	<b>1,638,080</b>
<b>Expense</b>				
Locally Raised Funds	3	18,683	18,000	20,925
Learning Resources	4	1,158,474	1,066,415	1,056,640
Administration	5	111,066	100,650	112,378
Interest		1,227	-	864
Property	6	352,802	406,645	415,002
Loss on Disposal of Property, Plant and Equipment		1,711	-	6,107
<b>Total Expense</b>		<b>1,643,963</b>	<b>1,591,710</b>	<b>1,611,916</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>30,088</b>	<b>(30,853)</b>	<b>26,164</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>30,088</b>	<b>(30,853)</b>	<b>26,164</b>

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

# Papakaio School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Equity at 1 January</b>		334,903	334,903	308,739
Total comprehensive revenue and expense for the year		30,088	(30,853)	26,164
Contribution - Furniture and Equipment Grant		11,189	-	-
<b>Equity at 31 December</b>		376,180	304,050	334,903
Accumulated comprehensive revenue and expense		376,180	304,050	334,903
<b>Equity at 31 December</b>		376,180	304,050	334,903

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.

# Papakaio School

## Statement of Financial Position

As at 31 December 2025

		2025	2025	2024
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	217,981	112,506	122,954
Accounts Receivable	8	89,878	74,887	74,887
Prepayments		29,889	37,888	37,888
Investments	9	20,000	-	-
		<u>357,748</u>	<u>225,281</u>	<u>235,729</u>
<b>Current Liabilities</b>				
GST Payable		17,446	3,090	3,090
Accounts Payable	11	102,195	103,042	103,042
Revenue Received in Advance	12	25,668	2,607	2,607
Provision for Cyclical Maintenance	13	41,559	24,497	34,834
Finance Lease Liability	14	4,747	4,961	4,961
Funds held for Capital Works Projects	15	31,112	-	-
Funds Held on Behalf of the Whitestone Kahui Ako Cluster	16	2,792	-	-
		<u>225,519</u>	<u>138,197</u>	<u>148,534</u>
<b>Working Capital Surplus</b>		132,229	87,084	87,195
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	259,694	238,968	268,968
		<u>259,694</u>	<u>238,968</u>	<u>268,968</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	6,190	13,397	12,655
Finance Lease Liability	14	9,553	8,605	8,605
		<u>15,743</u>	<u>22,002</u>	<u>21,260</u>
<b>Net Assets</b>		<u>376,180</u>	<u>304,050</u>	<u>334,903</u>
<b>Equity</b>		<u>376,180</u>	<u>304,050</u>	<u>334,903</u>

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

# Papakao School

## Statement of Cash Flows

For the year ended 31 December 2025

		2025	2025	2024
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		381,624	319,651	350,345
Locally Raised Funds		126,298	131,306	160,658
Goods and Services Tax (net)		14,356	-	(8,498)
Payments to Employees		(227,889)	(230,500)	(231,026)
Payments to Suppliers		(197,974)	(221,405)	(217,717)
Interest Paid		(1,227)	-	(864)
Interest Received		313	3,000	3,640
Net cash from Operating Activities		95,501	2,052	56,538
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment		(22,514)	(12,500)	(33,757)
Purchase of Investments		(20,000)	-	-
Net cash (to) Investing Activities		(42,514)	(12,500)	(33,757)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		11,189	-	-
Finance Lease Payments		(3,053)	-	(3,026)
Funds Administered on Behalf of Other Parties		33,904	-	(6,902)
Net cash from/(to) Financing Activities		42,040	-	(9,928)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>95,027</b>	<b>(10,448)</b>	<b>12,853</b>
Cash and cash equivalents at the beginning of the year	7	122,954	122,954	110,101
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>217,981</b>	<b>112,506</b>	<b>122,954</b>

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense, and other notional items 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.

# Papakaio School

## Notes to the Financial Statements

### For the year ended 31 December 2025

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Papakaio 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.

##### 1.2. Basis of Preparation

###### **Reporting Period**

The financial statements have been prepared for the period 1 January 2025 to 31 December 2025 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

###### **PBE Accounting Standards Reduced Disclosure Regime**

The School qualifies for Tier 2 as the School is not publicly accountable and is not considered large as it falls below the expense threshold of \$33 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**

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

#### *Useful lives of property, plant and equipment*

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

#### **Critical Judgements in applying accounting policies**

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

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the School. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. 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.

### **1.3. Revenue Recognition**

#### **Government Grants**

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

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

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

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

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

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

#### **Other Grants where conditions exist**

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

#### **Donations, Gifts and Bequests**

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

## **Interest Revenue**

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

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

### **1.8. Property, Plant and Equipment**

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

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

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

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

## **Finance Leases**

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

## **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements	10-50 years
Furniture and Equipment	3-15 years
Information and Communication Technology	2-5 years
Leased Assets held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

### **1.9. Impairment of property, plant and equipment**

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 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 as 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.

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.

### **1.10. 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.

### **1.11. Employee Entitlements**

#### *Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned by non teaching staff, 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.

### **1.12. Revenue Received in Advance**

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

### **1.13. Funds held for Capital Works**

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

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

#### **1.14. Shared Funds**

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

#### **1.15. 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 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 variety of periods in accordance with the conditional assessment of each area of the school. 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.

#### **1.16. 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 and finance lease liability. Financial liabilities are initially recognised at fair value and 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.

#### **1.17. 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 statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **1.18. Budget Figures**

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

#### **1.19. Services received in-kind**

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

## 2. Government Grants

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Government Grants - Ministry of Education	414,323	309,000	357,821
Teachers' Salaries Grants	878,334	775,368	775,369
Use of Land and Buildings Grants	278,630	331,532	331,532
Other Government Grants	-	10,651	-
	<u>1,571,287</u>	<u>1,426,551</u>	<u>1,464,722</u>

## 3. Locally Raised Funds

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
<b>Revenue</b>			
Donations and Bequests	82,440	61,956	88,472
Fees for Extra Curricular Activities	5,186	4,000	4,720
Trading	846	-	1,586
Fundraising and Community Grants	10,472	65,000	70,500
Other Revenue	3,367	350	4,440
	<u>102,311</u>	<u>131,306</u>	<u>169,718</u>
<b>Expense</b>			
Extra Curricular Activities Costs	10,462	10,000	10,769
Trading	1,596	-	3,260
Transport (Local)	6,625	8,000	6,896
	<u>18,683</u>	<u>18,000</u>	<u>20,925</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>83,628</u>	<u>113,306</u>	<u>148,793</u>

## 4. Learning Resources

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Curricular	68,154	89,650	89,607
Information and Communication Technology	6,162	5,500	6,002
Employee Benefits - Salaries	1,033,408	912,368	904,597
Staff Development	13,628	16,097	19,605
Depreciation	36,956	42,500	36,829
Other Learning Resources	166	300	-
	<u>1,158,474</u>	<u>1,066,415</u>	<u>1,056,640</u>

## 5. Administration

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Audit Fees	11,170	5,000	8,725
Board Fees and Expenses	5,344	4,000	3,424
Other Administration Expenses	26,753	27,150	34,513
Employee Benefits - Salaries	60,099	55,500	58,606
Insurance	3,680	4,000	3,319
Service Providers, Contractors and Consultancy	4,020	5,000	3,791
	<u>111,066</u>	<u>100,650</u>	<u>112,378</u>

## 6. Property

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cyclical Maintenance	7,564	5,013	4,309
Heat, Light and Water	13,474	10,000	11,867
Rates	710	600	631
Repairs and Maintenance	8,444	12,500	17,673
Use of Land and Buildings	278,630	331,532	331,532
Employee Benefits - Salaries	38,461	38,000	40,818
Other Property Expenses	5,519	9,000	8,172
	<u>352,802</u>	<u>406,645</u>	<u>415,002</u>

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

## 7. Cash and Cash Equivalents

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	217,981	112,506	122,954
Cash and cash equivalents for Statement of Cash Flows	<u>217,981</u>	<u>112,506</u>	<u>122,954</u>

Of the \$217,981 Cash and Cash Equivalents, \$59,572 is subject to restrictions for the following reasons:

- \$31,112 is held by the school on behalf of the Ministry of Education. The funds have been provided as part of the school's 5 Year Agreement Funding and is required to be spent on the school's buildings. See note 15.
- \$25,369 of Other Revenue in Advance is held by the School. This is included in Revenue in Advance note 12.
- \$2,792 is held by the School on behalf of the Whitestone Kahui Ako cluster. See note 16 for details of the revenue and expenditure of the cluster.

## 8. Accounts Receivable

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	6,578	4,246	4,246
Interest Receivable	140	-	-
Teacher Salaries Grant Receivable	83,160	70,641	70,641
	<u>89,878</u>	<u>74,887</u>	<u>74,887</u>
Receivables from Exchange Transactions	140	-	-
Receivables from Non-Exchange Transactions	89,738	74,887	74,887
	<u>89,878</u>	<u>74,887</u>	<u>74,887</u>

## 9. Investments

The School's investment activities are classified as follows:

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	20,000	-	-
Total Investments	<u>20,000</u>	<u>-</u>	<u>-</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2025	\$	\$	\$	\$	\$	\$
Building Improvements	178,752	-	-	-	(8,669)	170,083
Furniture and Equipment	53,186	1,904	-	-	(13,065)	42,025
Information and Communication Technology	9,542	18,778	(1,420)	-	(7,153)	19,747
Leased Assets	13,556	6,583	-	-	(6,098)	14,041
Library Resources	13,932	2,128	(291)	-	(1,971)	13,798
	<u>268,968</u>	<u>29,393</u>	<u>(1,711)</u>	<u>-</u>	<u>(36,956)</u>	<u>259,694</u>

The net carrying value of furniture and equipment held under a finance lease is \$14,041 (2024: \$13,556)

### Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2025 Cost or Valuation	2025 Accumulated Depreciation	2025 Net Book Value	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	283,709	(113,626)	170,083	284,596	(105,844)	178,752
Furniture and Equipment	201,030	(159,005)	42,025	202,957	(149,771)	53,186
Information and Communication Technology	165,906	(146,159)	19,747	152,317	(142,775)	9,542
Leased Assets	23,834	(9,793)	14,041	21,420	(7,864)	13,556
Library Resources	49,621	(35,823)	13,798	48,507	(34,575)	13,932
<b>Balance at 31 December</b>	<u>724,100</u>	<u>(464,406)</u>	<u>259,694</u>	<u>709,797</u>	<u>(440,829)</u>	<u>268,968</u>

## 11. Accounts Payable

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Creditors	3,722	19,869	19,869
Accruals	11,170	8,725	8,725
Employee Entitlements - Salaries	83,842	71,332	71,332
Employee Entitlements - Leave Accrual	3,461	3,116	3,116
	<u>102,195</u>	<u>103,042</u>	<u>103,042</u>
Payables for Exchange Transactions	102,195	103,042	103,042
	<u>102,195</u>	<u>103,042</u>	<u>103,042</u>

The carrying value of payables approximates their fair value.

## 12. Revenue Received in Advance

	2025 Actual	2025 Budget (Unaudited)	2024 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	299	2,461	2,461
Other Revenue in Advance	25,369	146	146
	<u>25,668</u>	<u>2,607</u>	<u>2,607</u>

### 13. Provision for Cyclical Maintenance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	47,489	47,489	50,484
Increase to the Provision During the Year	7,564	5,013	4,309
Use of the Provision During the Year	(7,304)	(14,608)	(7,304)
Provision at the End of the Year	<u>47,749</u>	<u>37,894</u>	<u>47,489</u>
Cyclical Maintenance - Current	41,559	24,497	34,834
Cyclical Maintenance - Non current	6,190	13,397	12,655
	<u>47,749</u>	<u>37,894</u>	<u>47,489</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work 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 School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

### 14. Finance Lease Liability

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
No Later than One Year	5,712	5,853	5,853
Later than One Year	10,555	9,655	9,655
Future Finance Charges	(1,967)	(1,942)	(1,942)
	<u>14,300</u>	<u>13,566</u>	<u>13,566</u>
Finance lease liability - Current	4,747	4,961	4,961
Finance lease liability - Non current	9,553	8,605	8,605
	<u>14,300</u>	<u>13,566</u>	<u>13,566</u>

#### Represented by:

Finance lease liability - Current  
Finance lease liability - Non current

### 15. Funds Held for Capital Works Projects

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

2025	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Replacement of Clearlite Roofing - 239466	-	51,173	(20,061)	-	31,112
Totals	<u>-</u>	<u>51,173</u>	<u>(20,061)</u>	<u>-</u>	<u>31,112</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education

31,112

2024	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Combined 5YA & SIP Project - 225324	6,902	18,382	(25,284)	-	-
Totals	<u>6,902</u>	<u>18,382</u>	<u>(25,284)</u>	<u>-</u>	<u>-</u>

## 16. Funds Held on Behalf of the Whitestone Kahui Ako Cluster

Papakaio School was the lead school and holds funds on behalf of the Kahui Ako cluster, a group of schools funded by the Ministry of Education to share professional support. In 2025 the Ministry of Education advised that the Kahui Ako COL program would be discontinued from January 2026. The remaining funds will be applied to COL expenses in 2026 or repaid to contributing schools.

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Funds Received from Cluster Members	16,174	-	-
Funds Spent on Behalf of the Cluster	(13,382)	-	-
Funds Held at Year End	<u>2,792</u>	<u>-</u>	<u>-</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.

## 18. Remuneration

### Key management personnel compensation

Key management personnel of the School include all Board members, Principal, and Assistant Principals.

	2025 Actual \$	2024 Actual \$
<i>Board Members</i>		
Remuneration	3,130	3,330
<i>Leadership Team</i>		
Remuneration	385,300	353,675
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>388,430</u>	<u>357,005</u>

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

### Principal

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

	2025 Actual \$000	2024 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	130-140
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0-0	0-0

### Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2025 FTE Number	2024 FTE Number
100 -110	2.00	2.00
110 -120	2.00	1.00
	<u>4.00</u>	<u>3.00</u>

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

## 19. Compensation and Other Benefits Upon Leaving

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

	2025 Actual	-	2024 Actual	-
Total	\$		\$	
Number of People		-		-

## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2025 (Contingent liabilities and assets at 31 December 2024: 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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

## 21. Commitments

### (a) Capital Commitments

At 31 December 2025, the Board had capital commitments of \$491,672 (2024: \$nil) as a result of entering the following contracts:

Contract Name	Remaining Capital Commitment \$
Replacement of Clearlite Roofing - 239466	491,672
<b>Total</b>	<b>491,672</b>

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 15.

### (b) Operating Commitments

As at 31 December 2025 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2024: 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash and Cash Equivalents	217,981	112,506	122,954
Receivables	89,878	74,887	74,887
Investments - Term Deposits	20,000	-	-
Total financial assets measured at amortised cost	<u>327,859</u>	<u>187,393</u>	<u>197,841</u>

### Financial liabilities measured at amortised cost

Payables	102,195	103,042	103,042
Finance Leases	14,300	13,566	13,566
Total financial liabilities measured at amortised cost	<u>116,495</u>	<u>116,608</u>	<u>116,608</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.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PAKAKAIO SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Auditor-General is the auditor of Papakaio School (the School). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 2025, 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.

#### Opinion

In our opinion the financial statements:

- present fairly, in all material respects:
  - the School's financial position as at 31 December 2025; 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 22 May 2026. This is the date at which our opinion is expressed.

#### 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 audit 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 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 the Board intends to close or merge the School, or has no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.



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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is required to prepare an annual report which includes the annual financial statements and the audit report, as well as a Statement of Variance, an Evaluation of the School's Students' Progress and Achievement, a Statement of Compliance with Employment Policy, and a Statement of KiwiSport funding. The Board is responsible for the other information that it presents alongside its annual financial statements.



The other information obtained at the date of our audit report includes copies of the Statement of Variance, Evaluation of the School's Students' Progress and Achievement, Statement of Compliance with Employment Policy, and Statement of KiwiSport funding.

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 Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the School.

A handwritten signature in blue ink, appearing to read "H Rautjoki".

Heidi Rautjoki  
**for Deloitte Limited**  
**On behalf of the Auditor-General**  
Dunedin, New Zealand