

**Marlborough Free Kindergarten
Association Inc**

Performance Report

For the year ended 30 June 2022

Marlborough Free Kindergarten Association Inc

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For the year ended 30 June 2022

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Marlborough Free Kindergarten Association Inc

Entity Information

For the year ended 30 June 2022

Type of Entity and Legal Basis :

Marlborough Free Kindergarten Association Inc is an Incorporated Society and registered Charity

Charity Registration Number	CC32411
Address	P O Box 490 Blenheim 7240
Board Members	Scott Wilkinson – Chair Jane Sutherland Joanna Glover Emma Marsden Edward Parker
Officer	Corina Naus
Auditors	John Hooper
Accountants	Smart Business Centre (Nelson) Ltd

Mission

Marlborough Free Kindergarten Association Inc provides quality early childhood education to children aged two to six.

Our Vision:-

Every child attending Marlborough Kindergarten Association will reach their full potential.

Entity Structure

All parents who have a child on the roll or waiting list of a Kindergarten operated by the Association are members of the entity.

Main Sources of the Entity's Cash and Resources

Ministry of Education child funded hours, parent fees, fundraising and investment income.

Marlborough Free Kindergarten Association Inc
Statement of Service Performance and Resources
For the year ended 30 June 2022

STATEMENT OF SERVICE PERFORMANCE

Outcomes (what the entity is seeking to achieve in terms of impact on society)

At Marlborough Kindergarten Association we are here for the children not for profit.
Our vision is that every child who attends our kindergartens will meet their full potential.
This means we believe every child should have equitable access to quality education.
We are committed to providing the best education experience we can, that means investing in our people and our kindergartens.

Because we are not for profit all our money goes back into our local community
– something we have been doing for the past 75 years.

We achieve these outcomes (as per our strategic plan) by focussing on quality, stakeholder engagement and sustainability.

	Output	Output measure
Leading education best practice	Continuous improvement through professional learning and development	1150.50 hours of professional development were provided for our teaching staff
		174 hours of first aid training was undertaken
Supporting all children to thrive	Number of Early Childhood Education hours funded by Ministry of Education	300,206 hours of Early childhood education was funded by the ministry of education
	Providing quality education and care for all children.	We maintained 100% registered and certificated teachers in every kindergarten
	Providing additional teacher and teacher aide hours to support children with diverse needs	1934.25 hours of additional support were provided to support children with diverse needs
Engaging with the community	Community involvement in the kindergarten programme	There were 11 planned excursions and 25 regular excursions into our community during the year.

Description and Quantification of the Entity's Outputs:

During the current year 300,206 hours of Early Childhood Education were funded by the Ministry of Education (299,878 previous year)

Marlborough Free Kindergarten Association Inc
Statement of Service Performance and Resources
For the year ended 30 June 2022

STATEMENT OF RESOURCES

Marlborough Free Kindergarten Association Inc includes seven kindergartens and one meeting room.

The Kindergarten buildings have been classified under their categories, based on the land ownership status:

- 1 Kindergarten buildings on Marlborough District Council owned land:
Witherlea
- 2 Kindergarten land and buildings owned by the Association:
Redwoodtown \$470,000 -2020 Rating Valuation (Land & Improvements)
Renwick \$465,000 -2020 Rating Valuation (Land & Improvements)
- 3 The Marlborough Free Kindergarten Association Inc has property occupancy agreements with the Ministry of Education for Kindergarten buildings on Ministry of Education (crown) land and partial ownership of the buildings:
Mayfield
Picton
Seymour St - (Includes meeting room)
Springlands

HUMAN RESOURCES

Chief Executive Officer 1.00 (last year 1.00)
Senior Teacher .9 (last year .9)
Kindergarten Teachers 30.71 (last year 30.44)
Administration and Teacher Aides 3.95 (last year 4.09)
Office Staff 1.63 (last year 1.58)

Marlborough Free Kindergarten Association Inc
Statement of Responsibility
For the year ended 30 June 2022

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information.

The Independent Auditor John Hooper has audited these accounts - Please refer to his report. The Board is also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability for assets and to prevent and detect material misstatements. Appropriate systems of internal control have been employed to ensure that all the transactions have been executed in accordance with authority and correctly processed and accounted for in the financial statements. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Association will not remain a going concern.

In the opinion of the Board:

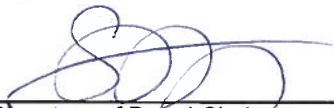
- the statement of comprehensive revenue and expenses is drawn up as to give a true and fair view of the surplus(deficit) of the association for the financial year ended 30 June 2022
- the statements of financial position is drawn up so as to give a true and fair view of the state of affairs of the association as at 30 June 2022
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due

Signed for and on behalf of the Board who authorised these financial statements for issue on
31 August 2022

Dated

Scott Wilkinson – Chairperson

Corina Naus - GM



Signature of Board Chairperson



Signature of GM

Dated: Dated 31 August 2022

Dated: Dated 31 August 2022

Marlborough Free Kindergarten Association Inc
Statement of Financial Performance
For the year ended 30 June 2022

	Notes	2022 Actual \$	2021 Actual \$
Revenue from non Exchange Transactions	1		
Donations & Fundraising		51,669	44,942
Grants Income		3,143	5,000
		<u>54,812</u>	<u>49,942</u>
Revenue from Exchange Transactions	1		
MOE Funding		3,631,572	3,376,130
Parent Fees		3,657	9,064
Grants and Contract Income		16,357	12,991
Other Income		85,750	43,923
Interest Revenue		17,224	15,966
		<u>3,754,561</u>	<u>3,458,075</u>
Total Revenue		<u>3,809,373</u>	<u>3,508,017</u>
Expenses	3		
Expenses Related to Fundraising		11,473	11,001
Salaries and Employee Related Costs		3,143,016	3,020,723
Kindergarten Operating Expenses		109,819	114,215
Administration		100,898	74,666
Property Maintenance Expenses		176,661	150,126
Board Expenses		5,161	6,920
Depreciation		114,058	110,164
Total Expenses		<u>3,661,087</u>	<u>3,487,813</u>
Net Surplus / (Deficit) for the Year		148,286	20,204
Other Comprehensive Revenue and Expenses		0	0
Total Comprehensive Revenue and Expense for the Year		<u>148,286</u>	<u>20,204</u>

This statement has been audited and should be read in conjunction with the Independent Auditor's Report and notes to the Financial Statements

Marlborough Free Kindergarten Association Inc
Statement of Changes in Net Assets/Equity
For the year ended 30 June 2022

	Note	Actual 2022 \$	Actual 2021 \$
<u>Equity at Start of Year</u>		<u>2,625,092</u>	<u>2,604,889</u>
Movements			
Holiday Pay Accrual Prior Year adjustment	10	-147,485	0
Net Surplus / (Deficit) for the year		<u>148,286</u>	<u>20,204</u>
		801	20,204
<u>Equity at End of Year</u>		<u><u>2,625,894</u></u>	<u><u>2,625,092</u></u>

This statement has been audited and should be read in conjunction with the Independent Auditor's Report and notes to the Financial Statements

Marlborough Free Kindergarten Association Inc
Statement of Financial Position
For the year ended 30 June 2022

	Notes	2022 Actual \$	2021 Actual \$
Current Assets			
Bank Accounts and Cash	4	1,881,341	1,617,767
GST Refund Due		9,017	8,775
Debtors and Prepayments	4	6,116	4,442
Total Current Assets		<u>1,896,473</u>	<u>1,630,984</u>
Non- Current Assets			
Property, Plant and Equipment	5	1,164,466	1,181,251
Total Non-Current Assets		<u>1,164,466</u>	<u>1,181,251</u>
Total Assets		<u><u>3,060,939</u></u>	<u><u>2,812,235</u></u>
Current Liabilities			
Trade and Other Payables	4	435,046	187,143
Total Liabilities		<u>435,046</u>	<u>187,143</u>
Net Assets		<u><u>2,625,894</u></u>	<u><u>2,625,092</u></u>
Equity			
Retained Earnings		<u>2,625,894</u>	<u>2,625,092</u>
		<u><u>2,625,894</u></u>	<u><u>2,625,092</u></u>

This statement has been audited and should be read in conjunction with the Independent Auditor's Report and notes to the Financial Statements

Marlborough Free Kindergarten Association Inc
Statement of Cash Flows
For the year ended 30 June 2022

		2022	2021
	Note	Actual \$	Actual \$
Cash flows from Operating Activities	6		
<u>Receipts</u>			
Revenue from non exchange transactions		54,812	49,942
Revenue from exchange transactions		3,824,318	3,496,076
		<u>3,879,130</u>	<u>3,546,018</u>
<u>Payments</u>			
Payments to suppliers and employees		3,531,116	3,385,446
		<u>3,531,116</u>	<u>3,385,446</u>
Net cash from / (to) the Operating Activities	6	<u>348,014</u>	<u>160,572</u>
Cash flows from Investing Activities			
<u>Receipts</u>			
Interest received		12,832	15,966
		<u>12,832</u>	<u>15,966</u>
<u>Payments</u>			
Purchase of fixed assets		97,273	23,035
		<u>97,273</u>	<u>23,035</u>
Net cash from / (to) the Investing Activities		<u>-84,441</u>	<u>-7,068</u>
Cash flows from Financing Activities			
<u>Cash was received from:</u>			
		0	0
		<u>0</u>	<u>0</u>
<u>Cash was paid to:</u>			
		0	0
		<u>0</u>	<u>0</u>
Net cash from Financing Activities		<u>0</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents		<u>263,573</u>	<u>153,503</u>
Cash and cash equivalents at the beginning of the year		1,617,767	1,464,264
Cash and cash equivalents at the end of the year		<u>1,881,340</u>	<u>1,617,767</u>

This statement has been audited and should be read in conjunction with the Independent Auditor's Report and notes to the Financial Statements

Marlborough Free Kindergarten Association Inc

Statement of Accounting Policies

For the year ended 30 June 2022

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

The Marlborough Free Kindergarten Association Inc is an Incorporated Society governed by the Incorporated Societies Act 1908. The Association is registered as a charitable entity under the Charities Act 2005. The principal activity of the Association is the provision of Early Childhood Education.

The financial statements were authorised for issue by the board on Dated 31 August 2022

Statement of Compliance

The Financial Statements have been prepared in accordance with the Public Benefit International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. The Association is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. The Board has accepted the requirement to report in accordance with Tier 2 Not-For-Profit PBE Accounting standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") concessions.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical basis are followed by the Association.

The functional and presentation currency is New Zealand Dollars and has been presented to the nearest dollar (\$) unless otherwise stated.

Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements. Refer Note 10 re the correction of a prior year accrual.

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Association and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Grant revenue

Grants received are recognised in the statement of comprehensive revenue and expense as revenue, except where grant conditions which require the grant to be used as specified or returned to the grantor, remain unfulfilled at balance date, in which case the related amount is recognised as a liability. In addition, a liability is recognised in respect of any other return clauses of a grant where it is probable that payment will be required.

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc

Statement of Accounting Policies

For the year ended 30 June 2022

Fundraising revenue and donations

Revenue received from Fundraising activities and donations is recognised when received. If particular conditions are attached to a donation that would require it to be repaid if these conditions are not met, then the donation is recorded as a liability until the conditions are satisfied. Donated goods or services (other than donated assets) are not recognised. Where significant donated assets are received with useful lives of 12 months or more, and the fair value of the asset is readily obtainable, the donation is recorded at the value of the asset obtained. Where the fair value of the asset is not readily obtainable, the donation is not recorded. Donated assets with useful lives less than 12 months are not recorded. Services in-kind may be recognised as revenue but do not have to be, including volunteer time which has been recorded where possible but has not been given a financial value in these financial statements

Revenue from exchange transactions

Government funding

Government funding is received in advance from the Ministry of Education and is recognised in the statement of comprehensive revenue and expense as revenue, except where it is probable at balance date, that a portion will need to be returned (as a deduction from future contributions), in which case the related amount is recognised as a liability. Government Subsidies in Arrears at balance date represents the net amount of subsidy washup due less the funding received in advance for months following balance date.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Fees, WINZ subsidies and professional support contracts

Revenue from fees, WINZ subsidies and professional support contracts received or receivable are recognised as revenue as the services are provided.

b) Investments

Investments are held with registered trading banks and are classified as current assets if they have maturities of between three months and one year. Those investments with maturities greater than 12 months after balance date are classified as non-current assets. After initial recognition investments are recognised at amortised cost using the effective interest method.

c) Receivables from exchange and non-exchange transactions

Receivables from exchange and non-exchange transactions are stated at their estimated realisable value.

A provision for impairment of receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest rate method.

d) Income tax

The Association has been granted Charitable status by the Inland Revenue Department, and therefore is exempt from income tax.

e) Financial instruments

Financial instruments are recognised in the balance sheet when the Association becomes party to a financial contract. They include cash balances, bank balances, accounts receivable, accounts payable, sundry creditors and loans to others. These assets and liabilities are measured for accounting purposes in accordance with financial reporting standards as described in these accounting policies.

f) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST.

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc

Statement of Accounting Policies

For the year ended 30 June 2022

g) Employee benefits

Employee benefits that the Association expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months. Refer Note 10 for the correction to the accrual as at 30 June 2021

h) Going concern

These financial statements have been prepared on the basis that Marlborough Free Kindergarten Association Inc is a going concern.

i) Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. These are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Contingencies

At balance date there are no known contingencies (2021: nil) The Association has not granted any securities in respect of liabilities payable by any other party whatsoever.

k) Audit

These financial statements have been subject to audit, please refer to Auditor's Report.

l) Related parties

There were no transactions with related parties requiring disclosure.

m) Capital and operating commitments

There are no capital or operating commitments at balance date (2021 : nil)

n) Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost included expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction its cost is measured at its fair value at the date of acquisition. Depreciation is charged on a diminishing value basis over the life of the asset, apart from buildings which are depreciated using the cost price method.

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
1 Income Detail		
Donations & Fundraising		
Fundraising Income	36,800	29,934
Childrens Programme	0	6
Donations	13,852	13,238
Holiday Programme	1,016	1,765
	<u>51,669</u>	<u>44,942</u>
Non Exchange Grants income is comprised of:		
Grants - Other	3,143	5,000
	<u>3,143</u>	<u>5,000</u>
MOE funding is comprised of:		
MOE Operating Grant	3,566,238	3,309,886
MOE Equity Funding	55,554	55,464
MOE Targeted Funding	9,781	10,780
	<u>3,631,572</u>	<u>3,376,130</u>
Parent Fees		
Parent Fees	3,657	9,064
	<u>3,657</u>	<u>9,064</u>
Other Income		
Other Income	30,694	16,850
MOE Education Support	55,056	27,073
	<u>85,750</u>	<u>43,923</u>
Exchange Grants and contract income is comprised of:		
Contracts Income	16,357	12,991
	<u>16,357</u>	<u>12,991</u>
Interest and other investment revenue is comprised of:		
Interest Received	17,224	15,966
	<u>17,224</u>	<u>15,966</u>
Total Revenue	<u><u>3,809,373</u></u>	<u><u>3,508,017</u></u>

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
3 Expense Detail		
<i>Expenses Related to Fundraising:</i>		
Fundraising Expenses	11,473	11,001
 <i>Salaries and employee related costs are comprised of:</i>		
Accident Compensation Levy	21,338	14,715
Salaries - Teachers	2,525,940	2,456,095
Salaries - Management Office	284,383	254,391
Administrator / Teacher Aides	160,521	134,292
KiwiSaver Employer Expenses	84,862	80,308
Special Needs Teacher / Aides	34,058	27,102
Teacher Aid (Equity)	78	10,016
Employment Expenses	600	1,815
Holiday Programme Expenses	11,309	26,493
Contract Expenses	8,564	4,501
Professional Development Teachers	3,106	6,957
Professional Dev - Management	5,047	3,137
First Aid	2,260	196
Other Teacher Costs	950	705
	<u>3,143,016</u>	<u>3,020,723</u>
 <i>Kindergarten operating expenses are comprised of:</i>		
Head Teacher Hospitality	300	630
Postage, Printing & Stationery	16,550	16,770
Childrens Programme	15,023	15,657
Equipment & Books	10,025	13,701
Equity Expense	11,703	5,648
Groceries - Foodstuffs	3,214	1,858
Cleaning Supplies	11,412	11,984
Light Power & Heating	14,332	14,828
Telephone / Tolls	11,446	11,225
Fundraising Purchases Kgtn	15,815	21,913
	<u>109,819</u>	<u>114,215</u>

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
Association administration expenses are comprised of:		
Audit Fees	3,291	3,417
Accountancy Fees	4,470	4,606
Admin systems - Infocare, IMS	13,689	8,538
Bank Charges	120	120
Computer Expenses	5,242	5,098
GM and Office Hospitality	78	151
Insurance	26,679	27,994
Marketing/ Advertising	4,310	533
NZK Levies	15,000	9,235
Story Park	3,500	3,500
Office Expenses	14,401	1,312
Telephone/ Tolls/ Broadband	3,978	3,092
Targeted Funding Expenditure	2,888	3,629
Postage & Stationery	107	154
Printing, & Photocopying	2,796	2,865
Subscriptions/ Resources	44	97
Website	306	326
	<u>100,898</u>	<u>74,666</u>
Property Expenses to maintain and upgrade 8 sites		
Cleaning Costs	79,507	71,577
Compliance Costs	14,739	9,547
Light Power & Heating	1,783	1,324
Repairs & Maintenance	61,074	23,542
Small Assets	0	27,930
Grounds / Rubbish	12,115	9,812
Painting	1,900	0
Rates	5,544	6,395
	<u>176,661</u>	<u>150,126</u>
Board expenses for meetings and training expenses are comprised of:		
Board Professional Development	356	479
Board Fees	4,500	5,876
Board Expenses/ Hospitality	304	564
	<u>5,161</u>	<u>6,920</u>
Depreciation expense is comprised of:		
Depreciation & Loss on Sale	114,058	110,164
	<u>114,058</u>	<u>110,164</u>
Total Expenses	<u>3,661,087</u>	<u>3,487,813</u>

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
4 Statement of Financial Position - Disclosures		
Bank Accounts and Cash		
Bank - ASB Cheque Account	57,950	266,535
Bank - ASB Call account -50	321,609	1,250,020
ASB Savings Plus 51	101,781	101,213
ASB Term Deposit 72	200,000	0
ASB Term Deposit 73	1,200,000	0
	<u>1,881,341</u>	<u>1,617,767</u>
Debtors and Prepayments		
Accounts Receivable	1,724	4,442
Interest Accrual	4,392	0
	<u>6,116</u>	<u>4,442</u>
Trade and Other Payables		
Accounts Payable	16,830	10,459
Accounts Payable Other	13,836	15,183
MOE Funding in Advance	85,994	1,489
Wages Accrual	76,192	48,483
Annual Leave and Holiday Programme Accrual	151,621	14,476
PAYE/ Kiwisaver Control Account	66,319	97,053
Receipts in Advance	24,253	0
	<u>435,046</u>	<u>187,143</u>

See Note 10

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
5 Property, Plant and Equipment		
All property, plant and equipment (except for land and buildings) are stated at cost less depreciation		
<u>Administration Buildings & Improvements</u>		
Cost Price	57,171	57,171
Purchases	0	0
Accumulated Depreciation	-43,399	-41,608
	<u>13,772</u>	<u>15,563</u>
<u>Plant & Equipment</u>		
Cost Price	2,449,290	2,460,892
Purchases	97,273	23,033
Accumulated Depreciation	-1,395,869	-1,318,237
	<u>1,150,694</u>	<u>1,165,688</u>
<u>Total Property, plant and equipment</u>	<u>1,164,466</u>	<u>1,181,251</u>
6 Cash flow information		
Net Operating Surplus (Deficit)	148,286	20,204
Add		
Depreciation	114,058	110,164
Decrease in accounts receivable & GST Due	2,476	80,252
Increase in accounts payable and provisions	247,903	
	<u>364,437</u>	<u>190,416</u>
Deduct		
Interest received	17,224	15,966
Prior Year Adjustment - Holiday Pay Accrual	147,485	0
Increase in accounts receivable & GST Due		34,083
Decrease in accounts payable and provisions	164,709	50,049
	<u>348,014</u>	<u>160,572</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u>348,014</u>	<u>160,572</u>
7 Auditors remuneration		
Amounts accrued or due and receivable by John Hooper for:		
Auditing the financial statements	3,291	3,417

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .

Marlborough Free Kindergarten Association Inc
Notes to the Performance Report
For the year ended 30 June 2022

	2022 \$	2021 \$
8 Key management remuneration		
Salary and other payments \$100,000 - \$110,000 (Prior Year \$90,000 - \$100,000)	1	1
Benefits and other emoluments \$0 - \$1,000 (Prior Year \$0 - \$1,000)	0	0
9 MOE Equity Funding		
During the year the following funding was received		
Income		
Picton- Isolation Funding	1,633	1,612
Picton- Low Socio- Economic	4,680	4,660
Picton -Special Needs	4,042	4,024
	10,355	10,296
Expenditure		
Resources, Equipment & Books	3,461	3,711
Groceries	621	1,024
Travel	358	3,390
Additional Teacher hours	1,881	116
Teachers Aides	826	698
Kaiarahi Maori	3,208	0
Assets	0	1,357
	10,355	10,296
Income		
Mayfield - Low Socio- Economic	19,226	19,602
Mayfield -Special Needs	8,703	9,044
	27,929	28,646
Expenditure		
Groceries	921	2,116
Resources, Equipment & Books	5,814	978
Teachers Aides	13,400	17,073
Additional Teacher hours	697	0
Travel	0	110
Kaiarahi Maori	7,097	8,369
	27,929	28,646
Income		
Redwoodtown- Low Socio- Economic	9,267	8,866
Redwoodtown -Special Needs	8,003	7,657
	17,270	16,522
Expenditure		
Teachers Aides	9,360	10,594
Additional Teacher hours	1,938	5,549
Groceries	1,760	379
Kaiarahi Maori	2,335	
Resources, Equipment & Books	1,877	0
	17,270	16,522
Total MOE Equity Funding	55,554	55,464

10 Prior Year Adjustment - Change in Accounting Policy

It has been the policy not to accrue for teacher holiday entitlement, but as some kindergartens start to convert to being open throughout the year, this policy is no longer appropriate. An adjustment has been made to include teachers in the Holiday Pay accrual as at 30 June 2022 and so as to add a balanced situation it was necessary to adjust the 2021 Holiday Pay accrual in the same way. Accordingly it was found that the 2021 accrual was understated by \$147,484.

These accompanying notes form part of the financial statements and should be read in conjunction with the Independent Auditor's Report .



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARLBOROUGH FREE KINDERGARTEN ASSOCIATION INCORPORATED**

Opinion

We have audited the performance report of Marlborough Free Kindergarten Association Incorporated on pages 1 to 17, which comprise the statement of financial position as at 30 June 2022, and the statements of financial performance, cash flows, changes in net assets / equity and service performance for the year then ended, along with the entity information, statement of accounting policies and notes to the performance report.

In our opinion the performance report presents fairly, in all material respects, the financial position of Association as at 30 June 2022, and its financial performance and cash flows for the year then ended, and the service performance for the year then ended, in accordance with the entity's service performance criteria, in accordance with the Public Benefit Entity Standards – Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the statement of service performance in accordance with the ISAs and New Zealand Auditing Standard 1 (NZ AS 1). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit* section of our report. We are independent of the Association in accordance with 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide for our opinion.

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

Responsibilities of Those Charged with Governance

Those charged with governance are responsible on behalf of the Association for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with the Public Benefit Entity Standards – Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- service performance criteria that are suitable in order to prepare service performance information in accordance with those standards; and
- such internal control as those charged with governance determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Association for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Association or to cease its operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance, 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 conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatement can arise from fraud or error, and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the New Zealand External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

JOHN HOOPER

31 August 2022, Nelson