

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WHANGAPARAOA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Whangaparaoa School (the School). The Auditor-General has appointed me, Blair Stanley, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on the 5th of July 2021. 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 of Trustees 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 of Trustees for the financial statements

The Board of Trustees 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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees 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 of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *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.



Blair Stanley
BDO Auckland
On behalf of the Auditor-General
Auckland, New Zealand

WHANGAPARAOA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 1571

Principal: Kevin Cronin

School Address: 39 Ladies Mile, Manly, Whangaparaoa 0930

School Phone: 09-424 9029

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Rhys Finn	Chair Person	Elected	Jun-22
Kevin Cronin	Principal	Ex Officio	
Helen Brown	Deputy Chair	Elected	Jun-22
Claire Scott	Member	Elected	Jun-22
Warren Rogers	Treasurer	Elected	Jun-22
Wandrew Ung	Member	Elected	Jun-22
Jenny Lisefski	Member	Elected	Jun-22
Maiana McCurdy	Staff Rep	Elected	Jun-22
Theunie Wiid	Minute Taker	Elected	Jun-22

Accountant / Service Provider: Shore Chartered Accountants Limited

WHANGAPARAOA SCHOOL

Annual Report - For the year ended 31 December 2020

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Whangaparaoa School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Rhys Dennis Fin

Full Name of Board Chairperson

Kevin Conin

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

05.07.21

Date:

05.07.21

Date:

Whangaparaoa School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	6,298,137	5,374,000	5,718,462
Locally Raised Funds	3	658,188	309,100	501,225
Interest income		3,681	10,200	9,000
International Students	4	34,534	25,000	180,026
		<u>6,994,540</u>	<u>5,718,300</u>	<u>6,408,713</u>
Expenses				
Locally Raised Funds	3	226,575	264,000	266,612
International Students	4	3,745	11,000	67,265
Learning Resources	5	4,000,436	3,344,150	3,619,471
Administration	6	374,587	339,204	397,402
Finance		2,545	7,850	2,658
Property	7	1,860,514	1,764,401	1,720,095
Depreciation	8	114,229	135,000	125,164
Loss on Disposal of Property, Plant and Equipment		1,164	-	-
		<u>6,583,795</u>	<u>5,865,605</u>	<u>6,198,667</u>
Net Surplus / (Deficit) for the year		410,745	(147,305)	210,046
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>410,745</u>	<u>(147,305)</u>	<u>210,046</u>

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

BDO

BDO AUCKLAND

Whangaparaoa School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>768,549</u>	<u>768,549</u>	<u>558,503</u>
Total comprehensive revenue and expense for the year		410,745	(147,305)	210,046
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		8,932	-	-
Equity at 31 December	23	<u>1,188,226</u>	<u>621,244</u>	<u>768,549</u>
Retained Earnings		1,188,226	621,244	768,549
Reserves		-	-	-
Equity at 31 December		<u>1,188,226</u>	<u>621,244</u>	<u>768,549</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

Whangaparaoa School

Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	9	1,089,939	259,072	354,896
Accounts Receivable	10	274,336	260,000	228,506
Prepayments		17,936	15,000	12,562
Investments	11	203,581	200,000	200,000
		<u>1,585,792</u>	<u>734,072</u>	<u>795,964</u>
Current Liabilities				
GST Payable		35,705	5,000	1,101
Accounts Payable	13	343,903	325,000	275,181
Revenue Received in Advance	14	24,706	25,000	49,335
Finance Lease Liability - Current Portion	16	13,509	15,000	14,830
Funds held for Capital Works Projects	17	268,175	-	32,701
		<u>685,998</u>	<u>370,000</u>	<u>373,148</u>
Working Capital Surplus		899,794	364,072	422,816
Non-current Assets				
Property, Plant and Equipment	12	408,154	369,954	433,954
		<u>408,154</u>	<u>369,954</u>	<u>433,954</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	109,328	97,782	77,782
Finance Lease Liability	16	10,394	15,000	10,439
		<u>119,722</u>	<u>112,782</u>	<u>88,221</u>
Net Assets		<u>1,188,226</u>	<u>621,244</u>	<u>768,549</u>
Equity	23	<u>1,188,226</u>	<u>621,244</u>	<u>768,549</u>

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

BDO

BDO AUCKLAND

Whangaparaoa School

Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020	2019
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	1,387,084	1,104,000	1,123,952
Locally Raised Funds	657,594	308,129	509,841
International Students	9,905	665	179,690
Goods and Services Tax (net)	34,604	3,899	(39,799)
Payments to Employees	(801,288)	(642,614)	(714,927)
Payments to Suppliers	(704,326)	(773,355)	(855,444)
Interest Paid	(2,545)	(7,850)	(2,658)
Interest Received	4,499	10,272	8,084
Net cash from/(to) Operating Activities	<u>585,527</u>	<u>3,146</u>	<u>208,739</u>
Cash flows from Investing Activities			
Purchase of Property Plant & Equipment (and Intangibles)	(72,494)	(49,390)	(22,895)
Purchase of Investments	(3,581)	-	(100,000)
Net cash from/(to) Investing Activities	<u>(76,075)</u>	<u>(49,390)</u>	<u>(122,895)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	8,932	-	
Finance Lease Payments	(18,465)	(16,879)	(19,722)
Funds Held for Capital Works Projects	235,124	(32,701)	(280,148)
Net cash from/(to) Financing Activities	<u>225,591</u>	<u>(49,580)</u>	<u>(299,870)</u>
Net increase/(decrease) in cash and cash equivalents	<u><u>735,043</u></u>	<u><u>(95,824)</u></u>	<u><u>(214,026)</u></u>
Cash and cash equivalents at the beginning of the year	9 354,896	354,896	568,922
Cash and cash equivalents at the end of the year	9 <u><u>1,089,939</u></u>	<u><u>259,072</u></u>	<u><u>354,896</u></u>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

Whangaparaoa School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

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 \$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 15.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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. 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.

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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These 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.

Other Grants

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 recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

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) 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.

i) 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 'occupan' is based on a property occupancy document.

Improvements to buildings owned by the Crown 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 to Crown Owned Assets	10–15 years
Furniture and equipment	5–15 years
Information and communication technology	3–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

j) 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. 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.

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.

k) 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.

l) 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 due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from [international, hostel students and grants received] (delete as appropriate) 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.

n) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

o) 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 categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

p) 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 non-operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

q) Budget Figures

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

r) 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	1,097,465	906,000	912,310
Teachers' Salaries Grants	3,352,195	2,800,000	3,087,201
Use of Land and Buildings Grants	1,549,460	1,470,000	1,507,309
Other MoE Grants	299,017	198,000	211,642
	<u>6,298,137</u>	<u>5,374,000</u>	<u>5,718,462</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$76,751 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	188,788	108,000	157,254
Activities	8,886	10,000	77,964
Trading	207,474	191,100	266,007
Fundraising	253,040	-	-
	<u>658,188</u>	<u>309,100</u>	<u>501,225</u>
Expenses			
Activities	41,666	73,000	69,866
Trading	184,909	191,000	196,746
	<u>226,575</u>	<u>264,000</u>	<u>266,612</u>
<i>Surplus for the year Locally raised funds</i>	<u>431,613</u>	<u>45,100</u>	<u>234,613</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	3	2	5
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	34,534	25,000	180,026
Expenses			
Employee Benefit - Salaries	-	3,000	4,380
Other Expenses	3,745	8,000	62,885
	3,745	11,000	67,265
<i>Surplus for the year International Students</i>	30,789	14,000	112,761

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	115,095	132,100	111,404
Information and Communication Technology	16,160	11,000	31,101
Library Resources	144	750	2,459
Employee Benefits - Salaries	3,855,376	3,182,000	3,444,585
Staff Development	13,661	18,300	29,922
	4,000,436	3,344,150	3,619,471

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	7,200	7,200	6,920
Board of Trustees Fees	2,160	4,000	2,530
Board of Trustees Expenses	6,130	5,000	11,632
Communication	18,542	22,200	23,610
Consumables	24,883	28,900	25,500
Other	52,104	45,804	56,416
Employee Benefits - Salaries	235,987	202,500	247,525
Insurance	10,626	8,000	8,619
Service Providers, Contractors and Consultancy	16,955	15,600	14,650
	374,587	339,204	397,402

7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	18,330	22,800	14,277
Consultancy and Contract Services	67,105	55,000	60,960
Cyclical Maintenance Provision	31,546	20,000	(26,376)
Grounds	6,403	19,500	15,974
Heat, Light and Water	39,122	46,000	46,705
Repairs and Maintenance	65,773	43,001	25,412
Use of Land and Buildings	1,549,810	1,470,000	1,507,420
Security	14,998	18,000	15,023
Employee Benefits - Salaries	67,427	70,100	60,700
	1,860,514	1,764,401	1,720,095

8. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	46,300	62,000	61,392
Furniture and Equipment	35,537	35,000	31,118
Information and Communication Technology	9,587	9,000	8,668
Textbooks	2,363	4,000	2,425
Leased Assets	16,405	20,000	17,345
Library Resources	4,037	5,000	4,216
	114,229	135,000	125,164

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	30	30	30
Bank Current Account	1,089,904	259,037	354,861
Bank Call Account	5	5	5
Cash and cash equivalents for Statement of Cash Flows	1,089,939	259,072	354,896

Of the \$1,089,939 Cash and Cash Equivalents, \$268,175 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	8,623	9,000	8,029
Interest Receivable	254	1,000	1,072
Banking Staffing Underuse	9,398	-	-
Teacher Salaries Grant Receivable	256,061	250,000	219,405
	<u>274,336</u>	<u>260,000</u>	<u>228,506</u>
Receivables from Exchange Transactions	8,877	10,000	9,101
Receivables from Non-Exchange Transactions	265,459	250,000	219,405
	<u>274,336</u>	<u>260,000</u>	<u>228,506</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	203,581	200,000	200,000
	<u>203,581</u>	<u>200,000</u>	<u>200,000</u>
Total Investments	203,581	200,000	200,000

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Building Improvements	197,672	-	-	-	(46,300)	151,372
Furniture and Equipment	137,937	60,890	-	-	(35,537)	163,290
Information and Communication Technology	28,371	7,661	-	-	(9,587)	26,445
Textbooks	19,395	-	-	-	(2,363)	17,032
Leased Assets	21,063	17,099	-	-	(16,405)	21,757
Library Resources	29,516	3,943	(1,164)	-	(4,037)	28,258
Balance at 31 December 2020	<u>433,954</u>	<u>89,593</u>	<u>(1,164)</u>	<u>-</u>	<u>(114,229)</u>	<u>408,154</u>

The net carrying value of equipment held under a finance lease is **\$21,757 (2019: 21,063)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Building Improvements	591,706	(440,334)	151,372
Furniture and Equipment	494,686	(331,396)	163,290
Information and Communication Technology	247,469	(221,024)	26,445
Motor Vehicles	4,427	(4,427)	-
Textbooks	80,319	(63,287)	17,032
Leased Assets	73,050	(51,293)	21,757
Library Resources	111,345	(83,087)	28,258
Balance at 31 December 2020	1,603,002	(1,194,848)	408,154

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	243,852	15,212	-	-	(61,392)	197,672
Furniture and Equipment	166,970	2,085	-	-	(31,118)	137,937
Information and Communication Technology	36,051	988	-	-	(8,668)	28,371
Textbooks	21,820	-	-	-	(2,425)	19,395
Leased Assets	22,081	16,327	-	-	(17,345)	21,063
Library Resources	30,382	3,350	-	-	(4,216)	29,516
Balance at 31 December 2019	521,156	37,962	-	-	(125,164)	433,954

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	591,706	(394,034)	197,672
Furniture and Equipment	433,796	(295,859)	137,937
Information and Communication Technology	239,809	(211,438)	28,371
Motor Vehicles	4,427	(4,427)	-
Textbooks	80,319	(60,924)	19,395
Leased Assets	55,951	(34,888)	21,063
Library Resources	111,813	(82,297)	29,516
Balance at 31 December 2019	1,517,821	(1,083,867)	433,954

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13. Accounts Payable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating Creditors	38,299	15,000	13,362
Accruals	14,222	15,000	12,400
Employee Entitlements - Salaries	283,585	285,000	237,976
Employee Entitlements - Leave Accrual	7,797	10,000	11,443
	<u>343,903</u>	<u>325,000</u>	<u>275,181</u>
Payables for Exchange Transactions	343,903	325,000	275,181
	<u>343,903</u>	<u>325,000</u>	<u>275,181</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
International Student Fees	24,706	25,000	49,335
	<u>24,706</u>	<u>25,000</u>	<u>49,335</u>

15. Provision for Cyclical Maintenance

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	77,782	77,782	96,242
Increase to the Provision During the Year	31,546	20,000	34,546
Use of the Provision During the Year	-	-	(53,006)
Provision at the End of the Year	<u>109,328</u>	<u>97,782</u>	<u>77,782</u>
Cyclical Maintenance - Term	109,328	97,782	77,782
	<u>109,328</u>	<u>97,782</u>	<u>77,782</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	14,999	15,000	16,389
Later than One Year and no Later than Five Years	10,960	15,000	11,029
	25,959	30,000	27,418

17. 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:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
SIP Canopy	<i>completed</i>	-	284,860	65,419	-	219,441
5YA Projects	<i>completed</i>	6,463	82,708	79,899	-	9,272
Hall Project	<i>in progress</i>	26,238	123,750	110,526	-	39,462
Totals		32,701	491,318	255,844	-	268,175

Represented by:

Funds Held on Behalf of the Ministry of Education

268,175

268,175

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
5YA Proj 10	<i>completed</i>	217	6,633	-	6,850	6,463
5YA Project Arkles Rms 1-3	<i>completed</i>	152,597	-	152,597	-	-
5YA Matakia Block ILE	<i>completed</i>	137,275	-	137,275	-	-
5YA Project Hall Roof	<i>in progress</i>	31,392	6,050	690	36,752	26,238
Hall Refurb Costs	<i>completed</i>	(8,245)	4,761	7,030	(10,514)	-
Totals		313,236	17,444	297,592	33,088	32,701

18. 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.

19. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	2,160	2,530
Full-time equivalent members	0.45	0.45
<i>Leadership Team</i>		
Remuneration	499,796	464,809
Full-time equivalent members	4	4
Total key management personnel remuneration	501,956	467,339
Total full-time equivalent personnel	4.45	4.45

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	150 - 160
Benefits and Other Emoluments	0 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	3.00	3.00
	3.00	3.00

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

20. 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:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2020** (Contingent liabilities and assets at **31 December 2019**: nil).

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, 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. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for the following capital works.

(a) \$750,000 contract for hall upgrade to be completed in **2021**, which will be partially funded by the Ministry of Education. \$170,695 has been received of which \$131,234 has been spent on the project to date. The remaining is to be funded by the school.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any rental contracts:

-
-

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	1,089,939	259,072	354,896
Receivables	274,336	260,000	228,506
Investments - Term Deposits	203,581	200,000	200,000
Total Financial assets measured at amortised cost	<u>1,567,856</u>	<u>719,072</u>	<u>783,402</u>

Financial liabilities measured at amortised cost

Payables	343,903	325,000	275,181
Finance Leases	23,903	30,000	25,269
Total Financial Liabilities Measured at Amortised Cost	<u>367,806</u>	<u>355,000</u>	<u>300,450</u>

25. Events After Balance Date

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

26. Comparatives

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