

# **Te Paina School**

## **Annual Report for the year ended 31 December 2021**

<b>Ministry Number:</b>	1372
<b>Principal:</b>	Paula Faitala
<b>School Address:</b>	15 Glass Road, Mercer
<b>School Postal Address:</b>	15 Glass Road, RD 2 Mercer, 2474
<b>School Phone:</b>	09-2326817
<b>School Email:</b>	principal@mercerc.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

## Te Paina School

# Members of the Board

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Occupation</b>	<b>Term expired/expires</b>
Carolyn Wratt	Presiding Member	Elected	Town Planner	Sep-22
Paula Faitala	Principal	Employed by school	Principal	
Stacey Plowman	Parent rep	Elected	Caregiver	Sep-22
Marisa Toto	Parent rep	Elected	Accountant	Sep-22
Anne Farmer	Board Secretary	Employed by school	Office Admin	

# Te Paina School

## Annual Report

For the year ended 31 December 2021

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**Te Paina School**  
**Statement of Responsibility**  
For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

\_\_\_\_\_  
Full Name of Presiding Member

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Presiding Member

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

## Te Paina School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	739,472	727,237	673,410
Locally Raised Funds	3	28,391	90,100	34,379
Interest Income		940	1,500	1,812
		<hr/>	<hr/>	<hr/>
		768,803	818,837	709,601
<b>Expenses</b>				
Locally Raised Funds	3	9,146	7,900	18,972
Learning Resources	4	504,760	501,200	415,753
Administration	5	133,138	72,900	65,438
Finance		402	500	685
Property	6	126,288	183,600	188,669
Depreciation	11	25,551	20,000	27,024
Loss on Disposal of Property, Plant and Equipment		44	-	140
		<hr/>	<hr/>	<hr/>
		799,329	786,100	716,681
<b>Net Surplus / (Deficit) for the year</b>		(30,526)	32,737	(7,080)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(30,526)	32,737	(7,080)

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

## Te Paina School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	2021	2021	2020
Notes	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Balance at 1 January</b>	<u>372,856</u>	<u>372,855</u>	<u>378,112</u>
Total comprehensive revenue and expense for the year	(30,526)	32,737	(7,080)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	1,824
<b>Equity at 31 December</b>	<u>342,330</u>	<u>405,592</u>	<u>372,856</u>
Retained Earnings	342,330	405,592	372,856
Reserves	-	-	-
<b>Equity at 31 December</b>	<u>342,330</u>	<u>405,592</u>	<u>372,856</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.

# Te Paina School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	99,747	16,315	50,164
Accounts Receivable	8	30,597	24,135	23,965
GST Receivable		1,786	2,500	-
Prepayments		2,695	1,350	1,350
Inventories	9	692	336	336
Investments	10	90,406	90,000	61,955
		<u>225,923</u>	<u>134,636</u>	<u>137,770</u>
<b>Current Liabilities</b>				
GST Payable		-	-	7,037
Accounts Payable	12	55,907	46,000	44,490
Revenue Received in Advance	13	10,628	2,500	2,417
Provision for Cyclical Maintenance	14	6,710	-	-
Finance Lease Liability	15	1,392	1,491	3,941
Funds Held for Capital Works Projects	16	79,182	13,194	(13,194)
		<u>153,819</u>	<u>63,185</u>	<u>44,691</u>
<b>Working Capital Surplus/(Deficit)</b>		72,104	71,451	93,079
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	306,248	384,409	331,409
		<u>306,248</u>	<u>384,409</u>	<u>331,409</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	35,514	49,733	49,733
Finance Lease Liability	15	508	535	1,899
		<u>36,022</u>	<u>50,268</u>	<u>51,632</u>
<b>Net Assets</b>		<u>342,330</u>	<u>405,592</u>	<u>372,856</u>
<b>Equity</b>		<u>342,330</u>	<u>405,592</u>	<u>372,856</u>

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

# Te Paina School

## Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021 Budget	2020
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	215,121	187,237	230,051
Locally Raised Funds	26,733	90,115	37,585
Goods and Services Tax (net)	(8,822)	(9,537)	12,670
Funds Administered on Behalf of Third Parties	-	-	-
Payments to Employees	(132,981)	(92,157)	(106,902)
Payments to Suppliers	(110,270)	(131,975)	(162,698)
Interest Paid	(402)	(500)	(685)
Interest Received	653	1,440	2,107
Net cash from/(to) Operating Activities	(9,968)	44,623	12,128
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment	(44)	-	(140)
Purchase of Property Plant & Equipment	(3,548)	(88,635)	(20,094)
Purchase of Investments	(28,451)	-	18,756
Proceeds from Sale of Investments	-	(28,045)	-
Net cash from/(to) Investing Activities	(32,043)	(116,680)	(1,478)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	1,824
Finance Lease Payments	(782)	11,821	(507)
Painting Contract Payments	-	-	26,952
Funds Administered on Behalf of Third Parties	92,376	26,388	-
Net cash from/(to) Financing Activities	91,594	38,209	28,269
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>49,583</b>	<b>(33,848)</b>	<b>38,919</b>
Cash and cash equivalents at the beginning of the year	7 50,164	50,163	11,245
<b>Cash and cash equivalents at the end of the year</b>	<b>7 99,747</b>	<b>16,315</b>	<b>50,164</b>

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.



## Te Paina School

# Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### Reporting Entity

Te Paina 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 (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### Basis of Preparation

##### Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

##### Basis of Preparation

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

##### Financial Reporting Standards Applied

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

##### PBE Accounting Standards Reduced Disclosure Regime

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

##### Measurement Base

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

##### Presentation Currency

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

##### Specific Accounting Policies

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

##### Critical Accounting Estimates And Assumptions

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

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

##### Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

## **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2021

### ***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.

### **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.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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***

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.

#### **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.

#### **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.

## Te Paina School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 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.

### 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.

### Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

### 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.

### 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 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:

Board owned buildings	7-10 years
Building improvements - Crown	10-14 years
Furniture and equipment	5-15 years
Information and communication technology	2-5 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 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.

### 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.

### Employee Entitlements

#### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

### Revenue Received in Advance

Revenue received in advance relates to funds from student credits 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

## Te Paina School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

### 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.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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.

### 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.

### Budget Figures

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

### 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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 2 Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	147,518	147,237	157,235
Teachers' Salaries Grants	391,920	402,000	310,115
Use of Land and Buildings Grants	99,794	138,000	133,244
Other MoE Grants	100,240	35,000	72,816
Other Government Grants	-	5,000	-
	<u>739,472</u>	<u>727,237</u>	<u>673,410</u>

The School has opted in to the donations scheme for this year. Total amount received was \$7,650. (2020 : \$6,300 was received)

Other MOE Grants total includes additional COVID-19 funding totalling \$10,376 for the year ended 31 December 2021.

### 3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	2,768	60,000	8,454
Fees for Extra Curricular Activities	4,423	18,600	17,253
Trading	1,550	1,500	1,213
Fundraising & Community Grants	6,650	10,000	7,249
Other Revenue	13,000	-	210
	<u>28,391</u>	<u>90,100</u>	<u>34,379</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	3,792	6,200	16,760
Trading	2,101	700	996
Fundraising and Community Grant Costs	3,253	1,000	1,216
	<u>9,146</u>	<u>7,900</u>	<u>18,972</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>19,245</u>	<u>82,200</u>	<u>15,407</u>

### 4 Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	15,641	27,600	23,573
Equipment Repairs	-	400	230
Information and Communication Technology	3,286	3,000	9,240
Library Resources	336	1,500	-
Employee Benefits - Salaries	477,827	460,700	379,406
Staff Development	7,670	8,000	3,304
	<u>504,760</u>	<u>501,200</u>	<u>415,753</u>

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2021

**5 Administration**

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,785	4,000	4,350
Board Fees	2,525	4,000	3,350
Board Expenses	12,523	19,500	4,375
Communication	1,427	1,200	1,557
Consumables	1,989	2,100	2,356
Operating Lease	-	-	(199)
Other	6,651	6,600	6,009
Employee Benefits - Salaries	45,307	28,600	35,825
Insurance	2,913	1,900	1,995
Service Providers, Contractors and Consultancy	5,705	5,000	5,820
Healthy School Lunches	49,313		
	<u>133,138</u>	<u>72,900</u>	<u>65,438</u>

**6 Property**

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,668	2,000	2,690
Consultancy and Contract Services	10,797	12,000	11,850
Cyclical Maintenance Expense	(7,509)	8,000	19,037
Grounds	3,813	5,300	5,258
Heat, Light and Water	5,044	4,500	3,099
Rates	794	800	745
Repairs and Maintenance	6,958	7,500	6,999
Use of Land and Buildings	99,794	138,000	133,244
Security	1,212	500	368
Employee Benefits - Salaries	2,717	5,000	5,379
	<u>126,288</u>	<u>183,600</u>	<u>188,669</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value.

**7 Cash and Cash Equivalents**

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	99,747	16,315	50,164
Cash and cash equivalents for Statement of Cash Flows	<u>99,747</u>	<u>16,315</u>	<u>50,164</u>

Of the \$99,747 Cash and Cash Equivalents, \$83,659 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$99,747 Cash and Cash Equivalents, \$9,869 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

## 8 Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	17	85	17
Interest Receivable	277	50	(10)
Teacher Salaries Grant Receivable	30,303	24,000	23,958
	<u>30,597</u>	<u>24,135</u>	<u>23,965</u>
Receivables from Exchange Transactions	294	135	7
Receivables from Non-Exchange Transactions	30,303	24,000	23,958
	<u>30,597</u>	<u>24,135</u>	<u>23,965</u>

## 9 Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	693	336	336
	<u>693</u>	<u>336</u>	<u>336</u>

## 10 Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	90,406	90,000	61,955
Total Investments	<u>90,406</u>	<u>90,000</u>	<u>61,955</u>

## 11 Property, Plant and Equipment

	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	(NBV)					
2021	\$	\$	\$	\$	\$	\$
Land	150,000	-	-	-	-	150,000
Buildings	61,813	-	-	-	(2,794)	59,019
Building Improvements	49,095	-	-	-	(8,157)	40,938
Furniture and Equipment	54,091	434	-	-	(9,842)	44,683
Information and Communication Technology	8,615	-	-	-	(908)	7,707
Leased Assets	5,112	-	-	-	(3,520)	1,592
Library Resources	2,683	-	(44)	-	(330)	2,309
<b>Balance at 31 December 2021</b>	<u>331,409</u>	<u>434</u>	<u>(44)</u>	<u>-</u>	<u>(25,551)</u>	<u>306,248</u>

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	150,000	-	150,000	150,000	-	150,000
Buildings	104,264	(45,245)	59,019	104,264	(42,451)	61,813
Building Improvements	98,800	(57,862)	40,938	98,800	(49,705)	49,095
Furniture and Equipment	178,615	(133,932)	44,683	178,181	(124,090)	54,091
Information and Communication Technology	47,164	(39,457)	7,707	47,164	(38,549)	8,615
Leased Assets	12,477	(10,885)	1,592	15,635	(10,523)	5,112
Library Resources	23,804	(21,495)	2,309	24,201	(21,518)	2,683
<b>Balance at 31 December</b>	<u>615,124</u>	<u>(308,876)</u>	<u>306,248</u>	<u>618,245</u>	<u>(286,836)</u>	<u>331,409</u>

The net carrying value of equipment held under a finance lease is \$1,592 (2020: \$5,112).



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### Accounts Payable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Creditors	16,012	15,000	13,760
Accruals	4,785	3,000	2,915
Banking Staffing Overuse	3,994	3,500	3,582
Employee Entitlements - Salaries	31,116	24,500	24,233
	<u>55,907</u>	<u>46,000</u>	<u>44,490</u>
Payables for Exchange Transactions	55,907	46,000	44,490
	<u>55,907</u>	<u>46,000</u>	<u>44,490</u>

The carrying value of payables approximates their fair value.

### 13 Revenue Received in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	9,869	-	-
Other Revenue in Advance	759	2,500	2,417
	<u>10,628</u>	<u>2,500</u>	<u>2,417</u>

### 14 Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	49,733	49,733	30,696
Increase/(decrease) to the Provision During the Year	(7,509)	8,000	19,037
Use of the Provision During the Year	-	(8,000)	-
Provision at the End of the Year	<u>42,224</u>	<u>49,733</u>	<u>49,733</u>
Cyclical Maintenance - Current	6,710	-	-
Cyclical Maintenance - Term	35,514	49,733	49,733
	<u>42,224</u>	<u>49,733</u>	<u>49,733</u>

### 15 Finance Lease Liability

The school has entered into a number of finance lease agreements for laptops and photocopiers.

Minimum lease payments payable (includes interest portion):

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	1,491	-	4,343
Later than One Year and no Later than Five Years	535	-	2,026
Future Finance Charges	(127)	-	(529)
	<u>1,899</u>	<u>-</u>	<u>5,840</u>
Represented by			
Finance lease liability - Current	1,392	1,491	3,941
Finance lease liability - Term	508	535	1,899
	<u>1,899</u>	<u>2,026</u>	<u>5,840</u>

Te Paina School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

16 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:

	2021	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
School Re-Key	<i>In progress</i>	(430)	-	-	-	(430)
Toilet Upgrade	<i>In progress</i>	675	-	-	-	675
Electrical Upgrade	<i>In progress</i>	(6,627)	3,658	-	-	(2,969)
Fire Alarm	<i>In progress</i>	(11,800)	11,700	-	-	(100)
Heat Pumps	<i>In progress</i>	(2,398)	1,420	-	-	(978)
New adventure playground (SIP)	<i>In progress</i>	(449)	514	-	-	65
Pool Skimmers & Pipework (SIP)	<i>In progress</i>	1,945	(1,750)	-	-	195
Walkway Roof (SIP)	<i>In progress</i>	5,890	(4,494)	-	-	1,396
MoE Classroom upgrades	<i>In progress</i>	-	83,468	2,140	-	81,328
Totals		(13,194)	94,516	2,140	-	79,182

Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

83,659  
(4,477)  
79,182

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Roofing	<i>In progress</i>	-	-	-	-	-
School Re-Key	<i>In progress</i>	(430)	-	-	-	(430)
Drainage	<i>Completed</i>	11,636	-	11,636	-	-
Toilet Upgrade	<i>In progress</i>	(6,924)	9,299	1,700	-	675
Electrical Upgrade	<i>In progress</i>	(44,427)	37,800	-	-	(6,627)
Fire Alarm	<i>In progress</i>	-	-	11,800	-	(11,800)
Heat Pumps	<i>In progress</i>	-	12,780	15,178	-	(2,398)
New adventure playground (SIP)	<i>In progress</i>	-	4,626	5,075	-	(449)
Pool Skimmers & Pipework (SIP)	<i>In progress</i>	-	6,750	4,805	-	1,945
Walkway Roof (SIP)	<i>In progress</i>	-	20,844	14,954	-	5,890
Totals		(40,145)	92,099	65,148	-	(13,194)

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.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 18 Remuneration

#### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	2,525	3,350
<i>Leadership Team</i>		
Remuneration	111,148	108,512
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	113,673	111,862
Total full-time equivalent personnel	1.01	1.21

There are 4 members of the Board excluding the Principal. The Board had held 12 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

#### Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	100-110
Benefits and Other Emoluments	1-5	1-5
Termination Benefits	-	-

#### Other Employees

No other employee received total remuneration over \$100,000 (2020: Nil).

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
110-120	-	-
100-110	-	-
	-	-

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 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:

	2021 Actual \$10,615	2020 Actual
Total	\$10,615	-
Number of People	1	-

There were no compensation or other benefits paid or payable to persons upon leaving.

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 20 Contingencies

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

#### 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. 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 2021, a contingent liability for the school may exist.

### 21 Commitments

#### (a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

As at 31 December 2021 the Board has entered into no contract agreements for capital works.

(a) \$14,200 contract for Heat Pumps to be completed in 2021 which will be fully funded by the Ministry of Education. \$14,200 has been received of which \$15,178 has been spent on the project to date.

(b) \$13,570 contract for Fire Alarm Upgrade to be completed in 2021 which will be fully funded by the Ministry of Education. \$11,700 has been received of which \$11,800 has been spent on the project to date.

(c) \$5,140 contract for New Adventure Playground to be completed in 2021 which will be fully funded by the Ministry of Education. \$5,140 has been received of which \$5,075 has been spent on the project to date.

(d) \$204,714 contract for classroom upgrade to be completed in 2022 which will be fully funded by the Ministry of Education. \$83,468 has been received of which \$2,140 has been spent on the project to date.

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$14,200 contract for Heat Pumps to be completed in 2021 which will be fully funded by the Ministry of Education. \$12,780 has been received of which \$15,178 has been spent on the project to date.

(b) \$13,570 contract for Fire Alarm Upgrade to be completed in 2021 which will be fully funded by the Ministry of Education. \$0.00 has been received of which \$11,800 has been spent on the project to date.

(c) \$5,140 contract for New Adventure Playground to be completed in 2021 which will be fully funded by the Ministry of Education. \$4,626 has been received of which \$5,075 has been spent on the project to date.

#### (b) Operating Commitments

As at 31 December 2021 the Board has not entered into new contracts.

### 22 Financial Instruments

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	99,747	16,315	50,164
Receivables	30,597	24,135	23,965
Investments - Term Deposits	90,406	90,000	61,955
Total Financial assets measured at amortised cost	<u>220,750</u>	<u>130,450</u>	<u>136,084</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	55,907	46,000	44,490
Finance Leases	1,900	2,026	5,840
Total Financial Liabilities Measured at Amortised Cost	<u>57,807</u>	<u>48,026</u>	<u>50,330</u>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 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.

### 25 COVID 19 Pandemic on going implications

#### Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

#### Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

#### Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

#### Increased remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.