

KAIKOURA SUBURBAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 3392

Principal: Mandy Woods

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KAIKOURA SUBURBAN SCHOOL

Annual Report - For the year ended 31 December 2021

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Kaikoura Suburban School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	Term Expires
Susanne Dunnett	Chair Person	May 2022
Mandy Woods	Principal	
Colette Doughty	Parent Rep	May 2022
Brendan McPhail	Parent Rep	May 2022
Shannon Wards	Parent Rep	May 2022
Harriet Mackle	Parent Rep	May 2022
Jodie Denton	Parent Rep	May 2022

Kaikoura Suburban School

Statement of Responsibility

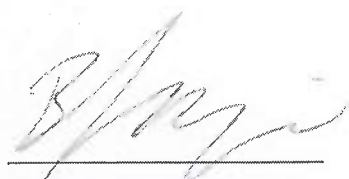
For the year ended 31 December 2021

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

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control 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 reflect the financial position and operations of the School.

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



Presiding Member



Principal

21/05/2022.

Date

20/05/2022

Date

Kaikoura Suburban School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	676,195	681,845	847,182
Locally Raised Funds	3	32,396	11,400	40,676
Interest income		1,259	300	1,930
		<u>709,850</u>	<u>693,545</u>	<u>889,789</u>
Expenses				
Locally Raised Funds	3	36,046	(15,000)	46,975
Learning Resources	4	467,245	417,672	531,266
Administration	5	78,454	71,650	70,877
Finance		311	350	427
Property	6	194,013	192,231	209,269
Depreciation	7	28,080	34,000	32,225
Loss on Disposal of Property, Plant and Equipment		2,132	-	-
		<u>806,281</u>	<u>700,903</u>	<u>891,039</u>
Net Surplus / (Deficit) for the year		(96,431)	(7,358)	(1,250)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(96,431)</u>	<u>(7,358)</u>	<u>(1,250)</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.

Kaikoura Suburban School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	Actual 2021 \$	Budget (Unaudited) 2021 \$	Actual 2020 \$
Balance at 1 January		415,745	415,745	416,995
Total comprehensive revenue and expense for the year		(96,431)	(7,358)	(1,250)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grants		11,185	-	-
Equity at 31 December	22	330,499	408,387	415,745
Retained Earnings		330,499	408,387	415,745
Equity at 31 December		330,499	408,387	415,745

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.

Kaikoura Suburban School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	8	73,481	261,355	234,715
Accounts Receivable	9	44,119	35,752	35,752
GST Receivable		315	-	-
Prepayments		7,922	9,826	9,826
Investments	10	122,967	121,865	121,865
		<u>248,804</u>	<u>428,798</u>	<u>402,158</u>
Current Liabilities				
GST Payable		-	7,381	7,381
Accounts Payable	12	39,202	49,420	49,420
Revenue Received in Advance	13	7,525	908	908
Provision for Cyclical Maintenance	14	500	500	500
Finance Lease Liability - Current Portion	15	1,865	1,797	5,497
Funds held for Capital Works Projects	16	9,748	86,122	86,122
		<u>58,840</u>	<u>146,128</u>	<u>149,830</u>
Working Capital Surplus/(Deficit)		189,964	282,670	252,328
Non-current Assets				
Property, Plant and Equipment	11	154,143	140,301	174,301
		<u>154,143</u>	<u>140,301</u>	<u>174,301</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	12,010	13,130	9,430
Finance Lease Liability	15	1,598	1,454	1,454
		<u>13,608</u>	<u>14,584</u>	<u>10,884</u>
Net Assets		<u>330,499</u>	<u>408,387</u>	<u>415,745</u>
Equity				
	22	<u>330,499</u>	<u>408,387</u>	<u>415,745</u>

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

Kaikoura Suburban School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		164,881	174,556	209,275
Locally Raised Funds		24,866	11,400	36,047
Goods and Services Tax (net)		(7,698)	-	8,663
Payments to Employees		(162,811)	(105,814)	(95,899)
Payments to Suppliers		(98,666)	(49,752)	(115,459)
Cyclical Maintenance Payments in the year		(3,200)	-	
Interest Paid		(311)	(350)	(427)
Interest Received		1,538	300	1,486
Net cash from/(to) Operating Activities		(81,401)	30,340	43,688
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		862	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(10,916)	-	(9,351)
Purchase of Investments		(1,102)	-	(1,612)
Net cash from/(to) Investing Activities		(11,156)	-	(10,962)
Cash flows from Financing Activities				
Furniture and Equipment Grant		11,185	-	
Finance Lease Payments		(3,488)	(3,700)	(6,945)
Funds Held for Capital Works Projects		(76,374)	-	82,893
Net cash from/(to) Financing Activities		(68,677)	(3,700)	75,947
Net increase/(decrease) in cash and cash equivalents		(161,234)	26,640	108,673
Cash and cash equivalents at the beginning of the year	8	234,715	234,715	126,042
Cash and cash equivalents at the end of the year	8	73,481	261,355	234,715

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.

Kaikoura Suburban School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Kaikoura Suburban 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 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 for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. 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 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

e) 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.

f) 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.

g) 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.

h) 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.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

j) 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:

Building improvements to Crown Owned Assets	10–20 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3–5 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 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

n) Revenue Received in Advance

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

o) 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).

p) 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 and finance lease liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

q) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases and finance leases.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	141,615	177,042	172,612
Teachers' Salaries Grants	361,372	361,372	482,007
Use of Land and Buildings Grants	140,931	140,931	155,900
Other MoE Grants	32,277	2,500	36,663
	<u>676,195</u>	<u>681,845</u>	<u>847,182</u>

The school has opted in to the donations scheme for this year. Total amount received was \$9,900.

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	3,420	9,400	997
Fees for Extra Curricular Activities	8,613	2,000	10,964
Trading	350	-	3,097
Fundraising & Community Grants	8,573	-	13,718
Other Revenue	11,440	-	11,900
	<u>32,396</u>	<u>11,400</u>	<u>40,676</u>
Expenses			
Extra Curricular Activities Costs	24,871	(15,000)	26,326
Trading	1,053	-	3,790
Fundraising and Community Grant Costs	4,487	-	8,245
Other Locally Raised Funds Expenditure	5,635	-	8,614
	<u>36,046</u>	<u>(15,000)</u>	<u>46,975</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>(3,650)</u>	<u>26,400</u>	<u>(6,299)</u>

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Library Resources	-	-	66
Employee Benefits - Salaries	463,267	414,672	525,428
Staff Development	3,978	3,000	5,773
	<u>467,245</u>	<u>417,672</u>	<u>531,266</u>

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,600	3,000	3,000
Board of Trustees Fees	3,217	3,500	4,401
Board of Trustees Expenses	1,691	4,000	3,286
Communication	1,201	1,200	1,345
Consumables	3,537	1,800	1,768
Operating Lease	87	3,850	1,864
Other	26,610	18,360	16,499
Employee Benefits - Salaries	33,145	30,000	32,787
Service Providers, Contractors and Consultancy	5,366	5,940	5,927
	<u>78,454</u>	<u>71,650</u>	<u>70,877</u>

6. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,667	1,800	1,739
Cyclical Maintenance Provision	5,780	3,700	4,500
Heat, Light and Water	5,533	5,000	4,530
Rates	730	1,100	741
Repairs and Maintenance	11,599	12,200	16,592
Use of Land and Buildings	140,931	140,931	155,900
Employee Benefits - Salaries	27,773	27,500	25,267
	<u>194,013</u>	<u>192,231</u>	<u>209,269</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 schools total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry Of Education's year-end reporting purposes.

7. Depreciation

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	4,027	6,402	4,627
Furniture and Equipment	7,361	7,531	7,531
Information and Communication Technology	7,930	8,437	8,437
Motor Vehicles	4,042	4,042	4,042
Leased Assets	4,441	7,164	7,164
Library Resources	279	424	424
	<u>28,080</u>	<u>34,000</u>	<u>32,225</u>

8. Cash and Cash Equivalents

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Bank Current Account	2,455	190,444	163,804
Bank Call Account	71,026	70,911	70,911
Cash and cash equivalents for Statement of Cash Flows	73,481	261,355	234,715

9. Accounts Receivable

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Receivables	17,017	2,870	2,870
Interest Receivable	165	444	444
Banking Staffing Underuse	4,025	-	-
Teacher Salaries Grant Receivable	22,912	32,438	32,438
	44,119	35,752	35,752
Receivables from Exchange Transactions	17,182	3,314	3,314
Receivables from Non-Exchange Transactions	26,937	32,438	32,438
	44,119	35,752	35,752

10. Investments

The School's investment activities are classified as follows:

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Current Asset			
Short-term Bank Deposits	122,967	121,865	121,865
CES Shares	-	-	-
Total Investments	122,967	121,865	121,865

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Buildings - School	98,566		(1,254)		(4,027)	93,285
Furniture and Equipment	45,201	1,800	(103)		(7,361)	39,537
Information and Communication Technology	14,874	7,069			(7,930)	14,013
Motor Vehicles	6,062				(4,042)	2,020
Leased Assets	6,627	1,920	(775)		(4,441)	3,331
Library Resources	2,971	127	(863)		(279)	1,956
Balance at 31 December 2021	174,301	10,916	(2,995)	-	(28,080)	154,143

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2021			
Buildings - School	169,932	(76,647)	93,285
Furniture and Equipment	85,564	(46,027)	39,537
Information and Communication Technology	62,477	(48,463)	14,014
Motor Vehicles	20,208	(18,188)	2,020
Leased Assets	18,724	(15,393)	3,331
Library Resources	2,235	(279)	1,956
Balance at 31 December 2021	359,140	(204,997)	154,143

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2020						
Buildings - School	107,433		(4,240)		(4,627)	98,566
Furniture and Equipment	44,110	8,622			(7,531)	45,201
Information and Communication Technology	23,312				(8,437)	14,875
Motor Vehicles	10,104				(4,042)	6,062
Leased Assets	10,661	3,130			(7,164)	6,627
Library Resources	3,394				(424)	2,970
Balance at 31 December 2020	199,014	11,752	(4,240)	-	(32,225)	174,301

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Buildings - School	172,942	(74,376)	98,566
Furniture and Equipment	143,142	(97,941)	45,201
Information and Communication Technology	133,696	(118,822)	14,875
Motor Vehicles	38,946	(32,884)	6,062
Leased Assets	46,112	(39,485)	6,627
Library Resources	11,858	(8,887)	2,970
Balance at 31 December 2020	546,696	(372,394)	174,301

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	4,297	5,437	5,437
Accruals	10,382	4,950	4,950
Banking Staffing Overuse	-	4,986	4,986
Employee Entitlements - Salaries	22,912	32,438	32,438
Employee Entitlements - Leave Accrual	1,611	1,609	1,609
	39,202	49,420	49,420
Payables for Exchange Transactions	39,202	49,420	49,420
	39,202	49,420	49,420

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Other revenue in Advance	7,525	908	908
	<u>7,525</u>	<u>908</u>	<u>908</u>

14. Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	9,930	9,930	5,430
Increase/ (decrease) to the Provision During the Year	2,580	3,700	4,500
Provision at the End of the Year	<u>12,510</u>	<u>13,630</u>	<u>9,930</u>
Cyclical Maintenance - Current	500	500	500
Cyclical Maintenance - Term	12,010	13,130	9,430
	<u>12,510</u>	<u>13,630</u>	<u>9,930</u>

15. Finance Lease Liability

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
No Later than One Year	1,865	1,797	5,497
Later than One Year and no Later than Five Years	1,598	1,454	1,454
	<u>3,463</u>	<u>3,251</u>	<u>6,951</u>

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 Contributions \$	Closing Balances \$
MOE LSC Admin & Staffroom Upgr	<i>completed</i>	94,476	1,875	(97,591)	-	-
MOE Tiger Turf Project	<i>in progress</i>	-	4,874	(3,942)	-	932
MOE Refurbish Toilet Admin Block	<i>in progress</i>	-	8,816	-	-	8,816
MOE Earthquake Repair Project	<i>completed</i>	(8,354)	8,354	(4,709)	-	-
Totals		86,122	23,919	(106,242)	-	9,748

Represented by:

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

9,748

-

9,748

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
MOE Admin Upgrade	<i>completed</i>	(304)	-	-	304	-
MOE ILE/New Classroom	<i>in progress</i>	(2,183)	54,897	(52,714)	-	-
MOE Roof Repitching Project	<i>completed</i>	5,716	-	-	(5,716)	-
MOE Earthquake Repair Project	<i>in progress</i>	-	89,682	(98,036)	-	(8,354)
Totals		3,229	239,251	(150,946)	(5,412)	86,122

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,217	4,401
Full-time equivalent members	0.11	0.11
<i>Leadership Team</i>		
Remuneration	202,364	208,867
Full-time equivalent members	2	2
Total key management personnel remuneration	205,581	213,268
Total full-time equivalent personnel	2.11	2.11

There are (include number here) members of the Board excluding the Principal. The Board had held (include xx number of meetings) full meetings of the Board in the year. The Board also has Finance (x members) and Property (x members) that meet monthly and quarterly respectively. 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 1

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	100-110	110-120
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

No other employees received remuneration greater than \$100,000.

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

19. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

The Ministry'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

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

(a) Contract for LSC Admin & Staffroom Upgrade authorised and fully funded by the Ministry of Education. \$96,546 has been received and spent on the project which was completed and closed off by the Ministry during the year.

(b) Contract for Earthquake Repair Project authorised and fully funded by the Ministry of Education. \$ 98,035 has been received and spent on the project which was completed and closed off by the Ministry during the year.

(c) Contract for Tiger Turf Project authorised and fully funded by the Ministry of Education begun in the current year. \$ 4,874 has been received of which \$3,942 has been spent on the project to date : and

(d) Contract for Toilet Refurbishment Admin Block authorised and fully funded by the Ministry of Education begun in the current year. \$8,816 has been received with no spending recorded on the project to date.

(Capital commitments at 31 December 2020: \$86,122)

22. 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.

23. 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	73,481	261,355	234,715
Receivables	44,119	35,752	35,752
Investments - Term Deposits	122,967	121,865	121,865
Total Financial assets measured at amortised cost	<u>240,567</u>	<u>418,972</u>	<u>392,332</u>

Financial liabilities measured at amortised cost

Payables	39,202	49,420	49,420
Funds Held For MOE Capital Works Projects	9,748	-	-
Finance Leases	3,463	3,251	6,951
Total Financial Liabilities Measured at Amortised Cost	<u>52,413</u>	<u>52,671</u>	<u>56,371</u>

24. Events After Balance Date

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

25. Comparatives

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

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 June 2021, the Wellington region was placed into alert level 2 for one week.

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 of 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.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF KAIKOURA SUBURBAN SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Kaikoura Suburban School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, 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 3 to 22, that comprise the statement of financial position as at 31 December 2021, the statements of comprehensive revenue and expense, changes in net assets / equity and 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 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 25 May 2022. This is the date at which our opinion is expressed.

The basis of 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 of 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

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 of Trustees' 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members, Kiwisport report and the analysis of variance report.

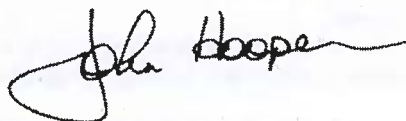
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



JOHN HOOPER

John Hooper & Co
On behalf of the Auditor-General
Nelson, New Zealand