

# TAHUNA NORMAL INTERMEDIATE SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

<b>Ministry Number:</b>	3839
<b>Principal:</b>	Tony Hunter
<b>School Address:</b>	31 Auld Street, St Kilda, Dunedin
<b>School Postal Address:</b>	31 Auld Street, St Kilda, Dunedin 9012
<b>School Phone:</b>	03 455 3994
<b>School Email:</b>	<a href="mailto:tahuna@tahuna.school.nz">tahuna@tahuna.school.nz</a>

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Mike McCaw	Presiding Member	Elected	May-22
Tony Hunter	Principal ex Officio		
Gerardo Luna	Parent Representative	Elected	May-22
Brendan Murray	Parent Representative	Elected	May-22
Rebecca Campbell	Parent Representative	Co-opted	May-22
Rhys Wilson	Parent Representative	Elected	May-22
Nicky Krammers	Parent Representative	Co-opted	May-22
Peter Renton	Parent Representative	Co-opted	May-22
Marianne Coughlin	Staff Representative	Elected	May-22

**Accountant / Service Provider:** Moore Markhams Otago

# TAHUNA NORMAL INTERMEDIATE SCHOOL

Annual Report - For the year ended 31 December 2021

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Kiwisport

# Tahuna Normal Intermediate 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.

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Full Name of Presiding Member

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Full Name of Principal

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Signature of Presiding Member

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Signature of Principal

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Date:

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Date:

# Tahuna Normal Intermediate School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	4,506,097	4,243,584	4,736,485
Locally Raised Funds	3	497,977	381,024	296,017
Interest Income		4,312	5,004	6,416
Gain on Sale of Property, Plant and Equipment	11	-	-	1,130
International Students	4	-	-	59,903
Other Revenue		68,051	50,004	54,730
		<u>5,076,437</u>	<u>4,679,616</u>	<u>5,154,681</u>
<b>Expenses</b>				
Locally Raised Funds	3	196,774	200,100	126,432
International Students	4	-	-	7,474
Learning Resources	5	3,274,423	3,120,924	3,265,531
Administration	6	302,337	285,803	260,608
Finance		4,316	3,600	4,731
Property	7	802,117	849,672	911,216
Depreciation	11	111,981	180,000	150,437
Loss on Disposal of Property, Plant and Equipment	11	7,535	-	-
		<u>4,699,483</u>	<u>4,640,099</u>	<u>4,726,429</u>
<b>Net Surplus / (Deficit) for the year</b>		376,954	39,517	428,252
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>376,954</u></u>	<u><u>39,517</u></u>	<u><u>428,252</u></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.

# Tahuna Normal Intermediate School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		1,502,778	1,502,778	1,074,526
Total comprehensive revenue and expense for the year		376,954	39,517	428,252
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
<b>Equity at 31 December</b>		1,879,732	1,542,295	1,502,778
Retained Earnings		1,879,732	1,542,295	1,502,778
<b>Equity at 31 December</b>		1,879,732	1,542,295	1,502,778

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.

# Tahuna Normal Intermediate School

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	1,152,954	1,819,109	1,779,592
Accounts Receivable	9	604,112	421,437	421,437
GST Receivable		63,151	-	-
Prepayments		57,409	18,146	18,146
Funds Held in Trust	17	10,026	-	-
Investments	10	362,592	308,061	308,061
		<u>2,250,244</u>	<u>2,566,753</u>	<u>2,527,236</u>
<b>Current Liabilities</b>				
GST Payable		-	23,920	23,920
Accounts Payable	12	626,285	455,753	455,753
Revenue Received in Advance	13	25,627	26,005	26,005
Painting Contract Liability	15	26,895	15,855	15,855
Finance Lease Liability	16	20,890	33,738	33,738
Funds held for Capital Works Projects	18	355,867	952,830	952,830
Funds for Resource Teachers of Learning & Behaviour services	19	21,854	71,057	71,057
Funds held on behalf of Learning Impact Fund	20	64,683	71,707	71,707
		<u>1,142,101</u>	<u>1,650,865</u>	<u>1,650,865</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,108,143</b>	<b>915,888</b>	<b>876,371</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	904,161	671,839	671,839
		<u>904,161</u>	<u>671,839</u>	<u>671,839</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	49,071	32,714	32,714
Painting Contract Liability	15	45,877	-	-
Finance Lease Liability	16	37,624	12,718	12,718
		<u>132,572</u>	<u>45,432</u>	<u>45,432</u>
<b>Net Assets</b>		<u><u>1,879,732</u></u>	<u><u>1,542,295</u></u>	<u><u>1,502,778</u></u>
<b>Equity</b>		<u><u>1,879,732</u></u>	<u><u>1,542,295</u></u>	<u><u>1,502,778</u></u>

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

# Tahuna Normal Intermediate School

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,125,291	1,009,440	1,173,354
Locally Raised Funds		421,133	180,924	349,561
International Students		-	-	9,990
Goods and Services Tax (net)		(87,071)	-	29,450
Payments to Employees		(499,061)	(481,872)	(465,813)
Payments to Suppliers		(585,595)	(493,979)	(494,994)
Interest Paid		(4,316)	-	(2,448)
Interest Received		3,591	5,004	7,016
Net cash from/(to) Operating Activities		373,972	219,517	606,116
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(7,535)	-	1,130
Purchase of Property Plant & Equipment (and Intangibles)		(295,941)	(180,000)	(138,206)
Purchase of Investments		(54,531)	-	(155,606)
Net cash from/(to) Investing Activities		(358,007)	(180,000)	(292,682)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(36,304)	-	(46,506)
Painting contract payments		56,917	-	(15,856)
Funds Administered on Behalf of Third Parties		(663,216)	-	913,907
Net cash from/(to) Financing Activities		(642,603)	-	851,545
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(626,638)</b>	<b>39,517</b>	<b>1,164,979</b>
Cash and cash equivalents at the beginning of the year	8	1,779,592	1,779,592	614,613
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>1,152,954</b>	<b>1,819,109</b>	<b>1,779,592</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.

# Tahuna Normal Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### 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 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. Grants for the use of land and buildings are not received in cash by the school however 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.

**d) 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.

**e) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

**f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

**g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

**h) Investments**

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

### **i) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as '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	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### **j) Intangible Assets**

#### **Software costs**

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

**m) Revenue Received in Advance**

Revenue received in advance relates to fees received from student fees 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.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

**n) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

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

**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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**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.

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.

**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, finance leases, painting contracts and term loans.

**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 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	898,351	830,556	890,080
Teachers' Salaries Grants	2,878,536	2,658,912	2,884,214
Use of Land and Buildings Grants	490,432	575,232	673,718
Other MoE Grants	78,117	-	280,478
Other Government Grants	160,661	178,884	7,995
	<b>4,506,097</b>	<b>4,243,584</b>	<b>4,736,485</b>

The school has not opted in to the donations scheme for this year.

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations & Bequests	212,260	91,284	79,295
Fees for Extra Curricular Activities	270,142	267,504	200,323
Trading	7,498	3,756	4,098
Overseas Travel	-	-	4,393
Fundraising & Community Grants	819	996	1,163
Other Revenue	7,258	17,484	6,745
	<b>497,977</b>	<b>381,024</b>	<b>296,017</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	162,357	195,348	117,915
Trading	2,671	756	1,572
Fundraising and Community Grant Costs	636	2,004	1,058
Other Locally Raised Funds Expenditure	31,110	1,992	5,887
	<b>196,774</b>	<b>200,100</b>	<b>126,432</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>301,203</b>	<b>180,924</b>	<b>169,585</b>

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	-	-	3
<b>Revenue</b>			
International Student Fees	-	-	59,903
<b>Expenses</b>			
Other Expenses	-	-	7,474
	<b>-</b>	<b>-</b>	<b>7,474</b>
<i>Surplus/ (Deficit) for the year International Students</i>	<b>-</b>	<b>-</b>	<b>52,429</b>

## 5. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	117,702	159,132	105,007
Information and Communication Technology	13,765	6,000	6,905
Library Resources	488	4,008	206
Employee Benefits - Salaries	3,126,789	2,931,780	3,132,197
Staff Development	15,679	20,004	21,216
	<u>3,274,423</u>	<u>3,120,924</u>	<u>3,265,531</u>

## 6. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	6,066	3,648	4,336
Board Fees	3,550	3,996	2,410
Board Expenses	9,259	4,655	2,738
Communication	7,402	8,460	7,825
Consumables	24,532	33,000	25,656
Operating Lease	(4,319)	24,000	(3,088)
Other	27,816	25,704	23,114
Employee Benefits - Salaries	207,963	162,000	178,560
Insurance	10,093	11,340	9,907
Service Providers, Contractors and Consultancy	9,975	9,000	9,150
	<u>302,337</u>	<u>285,803</u>	<u>260,608</u>

## 7. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,585	13,992	21,087
Consultancy and Contract Services	49,780	56,016	48,912
Cyclical Maintenance Provision	16,357	26,820	16,358
Grounds	14,681	8,508	11,418
Heat, Light and Water	45,044	49,356	45,804
Rates	11,683	12,996	11,063
Repairs and Maintenance	113,480	57,744	39,857
Use of Land and Buildings	490,432	575,232	673,718
Security	3,740	2,004	3,076
Employee Benefits - Salaries	42,845	47,004	39,923
Other Property Expenses	2,490		
	<u>802,117</u>	<u>849,672</u>	<u>911,216</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.

## 8. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	1,152,954	1,767,586	1,728,069
Short-term Bank Deposits	-	51,523	51,523
Cash and cash equivalents for Statement of Cash Flows	<u>1,152,954</u>	<u>1,819,109</u>	<u>1,779,592</u>

The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value.

Of the \$1,204,670 Cash and Cash Equivalents, \$353,377 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's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$1,204,670 Cash and Cash Equivalents, \$29,654 is held by the School on behalf of the RTLB Fund cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

Of the \$1,204,670 Cash and Cash Equivalents, \$64,683 is held by the School on behalf of the Learning Impact Fund cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

## 9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	162,858	1,200	1,200
Receivables from the Ministry of Education	-	4,657	4,657
Interest Receivable	721	646	646
Banking Staffing Underuse	-	-	-
Teacher Salaries Grant Receivable	440,533	414,934	414,934
	<u>604,112</u>	<u>421,437</u>	<u>421,437</u>
Receivables from Exchange Transactions	163,579	1,846	1,846
Receivables from Non-Exchange Transactions	440,533	419,591	419,591
	<u>604,112</u>	<u>421,437</u>	<u>421,437</u>

## 10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	362,592	308,061	308,061
Total Investments	<u>362,592</u>	<u>308,061</u>	<u>308,061</u>

**11. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2021</b>	\$	\$	\$	\$	\$	\$
Building Improvements	241,289	164,362	-	-	(8,498)	<b>397,153</b>
Furniture and Equipment	219,155	47,225	-	-	(27,134)	<b>239,246</b>
Information and Communication Technology	97,900	84,609	(5,731)	-	(32,556)	<b>144,222</b>
Motor Vehicles	30,724	-	-	-	(9,217)	<b>21,507</b>
Leased Assets	67,590	49,656	(1,294)	-	(32,196)	<b>83,756</b>
Library Resources	15,181	5,476	-	-	(2,380)	<b>18,277</b>
<b>Balance at 31 December 2021</b>	<b>671,839</b>	<b>351,328</b>	<b>(7,025)</b>	<b>-</b>	<b>(111,981)</b>	<b>904,161</b>

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	600,600	(203,447)	<b>397,153</b>	436,238	(194,949)	<b>241,289</b>
Furniture and Equipment	781,009	(541,763)	<b>239,246</b>	799,980	(580,825)	<b>219,155</b>
Information and Communication T	802,317	(658,095)	<b>144,222</b>	744,210	(646,310)	<b>97,900</b>
Motor Vehicles	87,912	(66,405)	<b>21,507</b>	87,912	(57,188)	<b>30,724</b>
Leased Assets	307,015	(223,259)	<b>83,756</b>	264,148	(196,558)	<b>67,590</b>
Library Resources	133,696	(115,419)	<b>18,277</b>	130,860	(115,679)	<b>15,181</b>
<b>Balance at 31 December</b>	<b>2,712,549</b>	<b>(1,808,388)</b>	<b>904,161</b>	<b>2,463,348</b>	<b>(1,791,509)</b>	<b>671,839</b>

**12. Accounts Payable**

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	177,102	38,219	38,219
Accruals	8,650	2,600	2,600
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	440,533	414,934	414,934
Employee Entitlements - Leave Accrual	-	-	-
	<b>626,285</b>	<b>455,753</b>	<b>455,753</b>
Payables for Exchange Transactions	626,285	455,753	455,753
	<b>626,285</b>	<b>455,753</b>	<b>455,753</b>

The carrying value of payables approximates their fair value.



**13. Revenue Received in Advance**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Grants in Advance - Ministry of Education	-	16,495	16,495
Other revenue in Advance	25,627	9,510	9,510
	<u>25,627</u>	<u>26,005</u>	<u>26,005</u>

**14. Provision for Cyclical Maintenance**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Provision at the Start of the Year	32,714	32,714	16,356
Increase/ (decrease) to the Provision During the Year	16,357	26,820	16,358
Provision at the End of the Year	<u>49,071</u>	<u>59,534</u>	<u>32,714</u>
Cyclical Maintenance - Term	49,071	32,714	32,714
	<u>49,071</u>	<u>32,714</u>	<u>32,714</u>

**15. Painting Contract Liability**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due within one year	26,895	15,855	15,855
Due after one year	45,877	-	-
	<u>72,772</u>	<u>15,855</u>	<u>15,855</u>

In 2021 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2021, 2022 and 2023 with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 16. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	25,040		36,410
Later than One Year and no Later than Five Years	42,175		13,518
Future Finance Charges	(8,701)		(3,472)
	<u>58,514</u>	-	<u>46,456</u>
<b>Represented by</b>			
Finance lease liability - Current	20,890		33,738
Finance lease liability - Term	37,624		12,718
	<u>58,514</u>	-	<u>46,456</u>

## 17. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	(10,026)	-	-
	<u>(10,026)</u>	-	<u>-</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 18. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MLE (Senior Block)	952,830	64,645	(1,090,817)	-	(73,342)
Outdoor Sports Canopy	-	360,000	(2,340)	-	357,660
Learning Support Co-ordinator rm repurpose	-	74,249	(1,200)	-	73,049
Block 6 water damage	-	-	(1,500)	-	(1,500)
Totals	<u>952,830</u>	<u>498,894</u>	<u>(1,095,857)</u>	-	<u>355,867</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	430,709
Funds Due from the Ministry of Education	74,842
	<u>355,867</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
MLE (Senior Block)	49,364	1,250,000	(345,534)	-	952,830
Flood Remediation (2019)	(6,428)	16,950	(10,522)	-	-
Totals	<u>42,936</u>	<u>1,266,950</u>	<u>(356,056)</u>	-	<u>952,830</u>

## 19. Funds for Resource Teachers of Learning and Behaviour Services (RTLb)

Tahuna Normal Intermediate School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	<b>2021 Actual</b>	<b>2021 Budget (Unaudited)</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Funds held at beginning of the year	71,057	71,057	73,134
<i>Revenue</i>			
Teachers' Salary Grant	2,547,840		2,327,730
Administration Grant	88,616		86,446
Learning Support Funding	169,171		167,496
Travel Grant	143,223		136,441
IYT Income	6,300		5,585
Other Revenue	1,523		1,210
	<u>2,956,673</u>	<u>-</u>	<u>2,724,908</u>
Total funds available	<u>3,027,730</u>	<u>71,057</u>	<u>2,798,042</u>
<i>Expenses</i>			
Employee Benefit - Salaries	2,571,802		2,351,000
Administration	72,265		64,495
Learning Support Year 11-13	165,933		149,221
	-		9
Travel	54,390		51,161
Other Expenses	82,175		68,632
	<u>2,946,565</u>	<u>-</u>	<u>2,684,518</u>
Purchase of Assets	51,511	-	42,377
Funds Held at Year End	<u><u>21,854</u></u>	<u><u>71,057</u></u>	<u><u>71,057</u></u>

## 20. Funds held on Behalf of Learning Impact Fund

Tahuna Normal Intermediate School holds funds on behalf of the Learning Impact Fund, a group of schools funded by the Ministry to facilitate STEAM education and collaborative learning.

	<b>2021 Actual</b>	<b>2021 Budget (Unaudited)</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Funds Held at Beginning of the Year	71,707	71,707	42,062
Funds Received from Otago Community Trust	104,854		104,854
Interest Income	56		43
Funds Spent on Behalf of the Clubter	(111,934)		(75,252)
Funds Held at Year End	<u><u>64,683</u></u>	<u><u>71,707</u></u>	<u><u>71,707</u></u>

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's Statement of Financial Position.

## 21. 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.

## 22. Remuneration

### *Key management personnel compensation*

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

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<i>Board Members</i> Remuneration	3,550	2,410
<i>Leadership Team</i> Remuneration	639,948	647,583
Full-time equivalent members	5	5
Total key management personnel remuneration	643,498	649,993

There are 8 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance 1 member and Property (2 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*

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

	<b>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	190 - 200
Benefits and Other Emoluments	20 - 30	20 - 30
Termination Benefits	-	-

### *Other Employees*

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

<b>Remuneration \$000</b>	<b>2021 FTE Number</b>	<b>2020 FTE Number</b>
110 - 120	4	1
100 - 110	1	5
	5	6

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

### 23. Compensation and Other Benefits Upon Leaving

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

	<b>2021 Actual</b>	<b>2020 Actual</b>
Total	-	-
Number of People	-	-

### 24. 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.

### 25. Commitments

#### (a) Capital Commitments

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

- (a) \$1,616,273 contract for Modern Learning Environment (Senior Block) to be completed in 2022, which will be fully funded by the Ministry of Education. \$1,379,645 has been received of which \$1,452,987 has been spent on the project to date: and
- (b) \$400,000 contract for Outdoor Sports Canopy as agent for the Ministry of Education. This project is fully funded by the Ministry and \$360,000 has been received. \$2,340 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) \$82,500 contract for Learning Support Co-ordinator room repurpose as agent for the Ministry of Education. The project is fully funded by the Ministry and \$74,249 has been received of which \$1,200 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (d) Proposed contract for Specialist Block upgrade as agent for the Ministry of Education. No funds have been received. \$1,200 has been spent on the project to balance date.

#### (b) Operating Commitments

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

## 26. 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	1,152,954	1,819,109	1,779,592
Receivables	604,112	421,437	421,437
Investments - Term Deposits	362,592	308,061	308,061
Total Financial assets measured at amortised cost	<u>2,119,658</u>	<u>2,548,607</u>	<u>2,509,090</u>

### Financial liabilities measured at amortised cost

Payables	626,285	455,753	455,753
Finance Leases	58,514	46,456	46,456
Painting Contract Liability	72,772	15,855	15,855
Total Financial Liabilities Measured at Amortised Cost	<u>757,571</u>	<u>518,064</u>	<u>518,064</u>

## 27. Events After Balance Date

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

## 28. Comparatives

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

## **29. 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 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 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.