

# WAIHI BEACH SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

<b>Ministry Number:</b>	2048
<b>Principal:</b>	Rachael Coll
<b>School Address:</b>	100 Beach Road
<b>School Postal Address:</b>	100 Beach Road, Waihi Beach, 3611
<b>School Phone:</b>	07 863 5704
<b>School Email:</b>	kimt@waihibeach.school.nz

Accountant / Service Provider:

**Education**  *Services.*  
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# WAIHI BEACH SCHOOL

Annual Report - For the year ended 31 December 2021

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### **Other Information**

Members of the Board

Kiwisport

Analysis of Variance

# Waihi Beach 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.

Jesse Negreth

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

Date:

14/11/22

Rachael Keren Coll

Full Name of Principal

[Signature]

Signature of Principal

Date:

10/11/22

**Waihi Beach 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	2,117,754	1,860,445	2,002,442
Locally Raised Funds	3	289,880	126,830	164,391
Interest Income		290	-	113
International Students	4	(978)	-	16,653
		<u>2,406,946</u>	<u>1,987,275</u>	<u>2,183,599</u>
<b>Expenses</b>				
Locally Raised Funds	3	113,150	124,170	69,086
International Students	4	-	-	900
Learning Resources	5	1,506,654	1,274,794	1,379,389
Administration	6	86,737	98,391	108,137
Finance		4,025	6,197	5,490
Property	7	424,385	421,506	524,254
Depreciation	12	67,657	58,906	58,990
		<u>2,202,608</u>	<u>1,983,964</u>	<u>2,146,246</u>
<b>Net Surplus / (Deficit) for the year</b>		204,338	3,311	37,353
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>204,338</u></u>	<u><u>3,311</u></u>	<u><u>37,353</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.

**Waihi Beach 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>		429,014	353,909	387,731
Total comprehensive revenue and expense for the year		204,338	3,311	37,353
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	3,930
<b>Equity at 31 December</b>		633,352	357,220	429,014
Retained Earnings		633,352	357,220	429,014
<b>Equity at 31 December</b>		633,352	357,220	429,014

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.

# Waihi Beach School Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	272,399	54,116	143,246
Accounts Receivable	9	91,982	85,054	116,827
GST Receivable		-	5,391	2,165
Prepayments		7,949	5,194	7,118
Inventories	10	979	1,962	-
Investments	11	100,000	-	-
Funds owed for Capital Works Projects	17	-	-	1,043
		<u>473,309</u>	<u>151,717</u>	<u>270,399</u>
<b>Current Liabilities</b>				
GST Payable		86	-	-
Accounts Payable	13	102,924	114,263	122,439
Revenue Received in Advance	14	37,268	300	27,358
Provision for Cyclical Maintenance	15	-	-	46,741
Finance Lease Liability	16	17,539	22,368	24,828
Funds held for Capital Works Projects	17	45,417	-	-
		<u>203,234</u>	<u>136,931</u>	<u>221,366</u>
<b>Working Capital Surplus/(Deficit)</b>		270,075	14,786	49,033
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	506,104	410,281	458,879
		<u>506,104</u>	<u>410,281</u>	<u>458,879</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	137,611	29,033	50,422
Finance Lease Liability	16	5,216	38,814	28,476
		<u>142,827</u>	<u>67,847</u>	<u>78,898</u>
<b>Net Assets</b>		<u>633,352</u>	<u>357,220</u>	<u>429,014</u>
<b>Equity</b>		<u>633,352</u>	<u>357,220</u>	<u>429,014</u>

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

**Waihi Beach School**  
**Statement of Cash Flows**  
For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		543,486	470,392	466,211
Locally Raised Funds		304,247	-	183,784
International Students		(978)	-	16,653
Goods and Services Tax (net)		2,251	-	3,226
Payments to Employees		(248,188)	(238,359)	(233,855)
Payments to Suppliers		(280,514)	(191,288)	(252,795)
Interest Paid		(4,025)	(6,197)	(5,490)
Interest Received		290	-	113
Net cash from/(to) Operating Activities		316,569	34,548	177,847
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(110,535)	(38,000)	(69,620)
Purchase of Investments		(100,000)	-	-
Net cash from/(to) Investing Activities		(210,535)	(38,000)	(69,620)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	3,930
Finance Lease Payments		(23,341)	(24,051)	(22,776)
Funds Administered on Behalf of Third Parties		46,460	-	(27,754)
Net cash from/(to) Financing Activities		23,119	(24,051)	(46,600)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>129,153</b>	<b>(27,503)</b>	<b>61,627</b>
Cash and cash equivalents at the beginning of the year	8	143,246	81,619	81,619
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>272,399</b>	<b>54,116</b>	<b>143,246</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.

# Waihi Beach School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Waihi Beach 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 15.



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

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

#### **Critical Judgements in applying accounting policies**

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

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

#### **c) Revenue Recognition**

##### **Government Grants**

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives.

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

##### **Other Grants**

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

##### **Donations, Gifts and Bequests**

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

##### **Interest Revenue**

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

#### **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) Inventories

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

#### 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	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	5 years
Motor Vehicles	5 years
Library Resources	12.5% DV
Leased assets held under a Finance Lease	Term of Lease



## **k) 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.

## **l) 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.

## **m) 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.

## **n) 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.

## **o) 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.

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

#### **p) 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.

#### **q) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts 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.

#### **r) 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.

#### **s) 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.

#### **t) 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.

#### **u) 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.

#### **v) Budget Figures**

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

#### **w) 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	473,297	408,485	424,730
Teachers' Salaries Grants	1,299,900	1,075,325	1,176,176
Use of Land and Buildings Grants	272,558	314,728	350,013
Surplus Moe Funded Projects	-	27,721	-
Other MoE Grants	71,399	34,186	50,363
Other Government Grants	600	-	1,160
	<b>2,117,754</b>	<b>1,860,445</b>	<b>2,002,442</b>

The school has opted in to the donations scheme for this year. Total amount received was \$35,400.

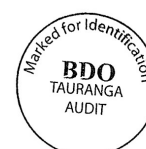
## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations & Bequests	79,414	12,500	38,503
Fees for Extra Curricular Activities	40,022	40,660	10,901
Trading	8,296	8,200	8,933
Fundraising & Community Grants	106,490	4,840	48,105
Oscar	29,575	34,630	39,413
School House	26,083	26,000	18,536
	<b>289,880</b>	<b>126,830</b>	<b>164,391</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	50,962	72,600	7,463
Trading	7,369	9,000	11,667
Fundraising & Community Grant Costs	9,589	-	6,503
Oscar	27,825	31,500	36,959
School House	17,405	11,070	6,494
	<b>113,150</b>	<b>124,170</b>	<b>69,086</b>
<i>Surplus for the year Locally raised funds</i>	<b>176,730</b>	<b>2,660</b>	<b>95,305</b>

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	0	0	0
<b>Revenue</b>			
International Student Fees	(978)	-	16,653
<b>Expenses</b>			
Student Recruitment	-	-	900
	<b>-</b>	<b>-</b>	<b>900</b>
<i>Surplus/(Deficit) for the year International Students</i>	<b>(978)</b>	<b>-</b>	<b>15,753</b>



## 5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	32,256	38,662	46,556
Library Resources	2,579	2,600	1,290
Employee Benefits - Salaries	1,445,695	1,207,732	1,302,919
Staff Development	15,277	17,250	21,995
Information And Communication Technology	10,847	8,550	6,629
	<u>1,506,654</u>	<u>1,274,794</u>	<u>1,379,389</u>

## 6. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,166	3,640	4,104
Board Fees	3,790	4,300	4,305
Board Expenses	2,752	5,160	6,280
Communication	1,536	3,250	3,150
Consumables	1,493	4,317	4,350
Other	11,785	13,990	20,553
Employee Benefits - Salaries	50,902	51,734	52,659
Insurance	833	1,800	2,716
Service Providers, Contractors and Consultancy	9,480	10,200	10,020
	<u>86,737</u>	<u>98,391</u>	<u>108,137</u>

## 7. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	11,288	9,000	9,993
Cyclical Maintenance Provision	40,448	5,420	59,843
Grounds	14,073	3,700	11,715
Heat, Light and Water	10,635	11,850	11,761
Rates	8,830	8,390	8,382
Repairs and Maintenance	13,780	11,900	12,757
Use of Land and Buildings	272,558	314,728	350,013
Security	1,661	2,300	2,133
Employee Benefits - Salaries	51,112	54,218	57,657
	<u>424,385</u>	<u>421,506</u>	<u>524,254</u>

The use of land and buildings figure represents 5% of the school's 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.

## 8. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	272,399	54,116	143,246
Cash and cash equivalents for Statement of Cash Flows	272,399	54,116	143,246

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

Of the \$272,399 Cash and Cash Equivalents \$46,460 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.

## 9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	(937)	173	7,837
Receivables from the Ministry of Education	19	-	10,720
Teacher Salaries Grant Receivable	92,900	84,881	98,270
	91,982	85,054	116,827
Receivables from Exchange Transactions	(918)	173	18,557
Receivables from Non-Exchange Transactions	92,900	84,881	98,270
	91,982	85,054	116,827

## 10. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Uniforms	979	1,962	-
	979	1,962	-

## 11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	100,000	-	-
Total Investments	100,000	-	-

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Land	138,750	-	-	-	-	<b>138,750</b>
Building Improvements	159,358	-	-	-	(8,187)	<b>151,171</b>
Furniture and Equipment	66,749	46,831	-	-	(18,018)	<b>95,562</b>
Information and Communication Technolog	24,436	14,075	-	-	(10,141)	<b>28,370</b>
Motor Vehicles	3,918	53,976	-	-	(5,436)	<b>52,458</b>
Leased Assets	54,235	-	-	-	(24,446)	<b>29,789</b>
Library Resources	11,433	-	-	-	(1,429)	<b>10,004</b>
<b>Balance at 31 December 2021</b>	<b>458,879</b>	<b>114,882</b>	<b>-</b>	<b>-</b>	<b>(67,657)</b>	<b>506,104</b>

The net carrying value of equipment held under a finance lease is \$29,789 (2020: \$54,235)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	138,750	-	<b>138,750</b>	138,751	(1)	<b>138,750</b>
Building Improvements	322,316	(171,145)	<b>151,171</b>	322,316	(162,958)	<b>159,358</b>
Furniture and Equipment	334,684	(239,122)	<b>95,562</b>	287,853	(221,104)	<b>66,749</b>
Information and Communication Technolog	200,480	(172,110)	<b>28,370</b>	186,405	(161,969)	<b>24,436</b>
Motor Vehicles	58,976	(6,518)	<b>52,458</b>	5,000	(1,082)	<b>3,918</b>
Leased Assets	89,674	(59,885)	<b>29,789</b>	89,674	(35,439)	<b>54,235</b>
Library Resources	64,085	(54,081)	<b>10,004</b>	64,085	(52,652)	<b>11,433</b>
<b>Balance at 31 December</b>	<b>1,208,965</b>	<b>(702,861)</b>	<b>506,104</b>	<b>1,094,084</b>	<b>(635,205)</b>	<b>458,879</b>

## 13. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	1,291	22,916	15,537
Accruals	3,838	2,832	3,354
Employee Entitlements - Salaries	92,900	84,881	98,270
Employee Entitlements - Leave Accrual	4,895	3,634	5,278
	<b>102,924</b>	<b>114,263</b>	<b>122,439</b>
Payables for Exchange Transactions	102,924	114,263	122,439
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>102,924</b>	<b>114,263</b>	<b>122,439</b>

The carrying value of payables approximates their fair value.



#### 14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Income In Advance	37,188	300	27,358
Hero Payment in Advance	80	-	-
	<u>37,268</u>	<u>300</u>	<u>27,358</u>

#### 15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	97,163	23,613	37,320
Increase to the Provision During the Year	15,934	5,420	11,371
Adjustment to the Provision	24,514	-	48,472
Provision at the End of the Year	<u>137,611</u>	<u>29,033</u>	<u>97,163</u>
Cyclical Maintenance - Current	-	-	46,741
Cyclical Maintenance - Term	137,611	29,033	50,422
	<u>137,611</u>	<u>29,033</u>	<u>97,163</u>

#### 16. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	19,004	22,368	28,858
Later than One Year and no Later than Five Years	5,773	38,814	30,499
	<u>22,755</u>	<u>61,182</u>	<u>53,304</u>
Represented by			
Finance lease liability - Current	17,539	22,368	24,828
Finance lease liability - Term	5,216	38,814	28,476
	<u>22,755</u>	<u>61,182</u>	<u>53,304</u>

## 17. Funds Held (Owed) 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	Project No.	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
LSC Development		(1,043)	-	-	-	(1,043)
SIP		-	123,493	(77,033)	-	46,460
Totals		<u>(1,043)</u>	<u>123,493</u>	<u>(77,033)</u>	<u>-</u>	<u>45,417</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education	46,460
Funds Due from the Ministry of Education	(1,043)
	<u>45,417</u>

2020	Project No.	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
Classroom Development 2018	209079	26,711	(2,548)	(24,163)	-	-
LSC Development		-	-	(1,043)	-	(1,043)
Totals		<u>26,711</u>	<u>(2,548)</u>	<u>(25,206)</u>	<u>-</u>	<u>(1,043)</u>

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,790	4,305
<i>Leadership Team</i>		
Remuneration	336,199	135,268
Full-time equivalent members	3.00	1.00
Total key management personnel remuneration	339,989	139,573

There are 6 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance (as per full BOT meeting' members) and Property (as per full BOT meeting' members) that met as per full BOT meeting' and as per full BOT meeting' times 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	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	2.00	-
	2.00	0.00

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

## 20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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:

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

## 21. 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.

## 22. Commitments

### (a) Capital Commitments

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

\$0 contract for the SIP as agent for the Ministry of Education. This project is fully funded by the Ministry and \$123,493 has been received of which \$77,033 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

\$0 contract for the LSC Development as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$1,043 has been spent on the project to balance date. This project has been approved by the Ministry.)

### (b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

## 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	272,399	54,116	143,246
Receivables	91,982	85,054	116,827
Investments - Term Deposits	100,000	-	-
Total Financial assets measured at amortised cost	<u>464,381</u>	<u>139,170</u>	<u>260,073</u>

### Financial liabilities measured at amortised cost

Payables	102,924	114,263	122,439
Finance Leases	22,755	61,182	53,304
Total Financial Liabilities Measured at Amortised Cost	<u>125,679</u>	<u>175,445</u>	<u>175,743</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.

## 26. 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 the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

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

### Reduction in locally raised funds

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

### Increased Remote learning additional costs

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

### 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.

## Waihi Beach School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Jesse Negretti	Presiding Member	Elected	Sep 2022
Rachael Coll	Principal		Sep 2022
Kararaina Sydney	Parent Representative	Appointed	Sep 2022
Michelle Walton	Parent Representative	Co-opted	Dec 2021
Brad Freeman	Parent Representative	Elected	Sep 2022
Kelly Thrupp	Parent Representative	Elected	Sep 2021
Melanie Paterson	Parent Representative	Elected	Sep 2022
Jodene de Andrad	Staff Representative	Elected	Sep 2022

## Waihi Beach School

### Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$3,399 (excluding GST). The funding was spent on sporting endeavours.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF WAIHI BEACH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Waihi Beach School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 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 as applicable to entities that qualify as Tier 2.

Our audit was completed on 15 November 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**PARTNERS:** Fraser Lellman CA  
Donna Taylor CA

Jenny Lee CA  
Paul Manning CA

Janine Hellyer CA

**ASSOCIATE:** Michael Lim CA

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## **Responsibilities of the Board for the financial statements**

The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

## **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

### **Independence**

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



Fraser Lellman  
BDO Tauranga  
On behalf of the Auditor-General  
Tauranga, New Zealand