

Kelvin Road School

Annual Report for the year ended 31 December 2021

Ministry Number:	1332
Principal:	Heather Tanner
School Address:	74 Kelvin Road, Papakura
School Postal Address:	74 Kelvin Road, Papakura
School Phone:	09-2988417
School Email:	principal@krs.ac.nz
Service Provider:	Edtech Financial Services Ltd

Kelvin Road School

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Roland Olago	Presiding Member	elected	Operations Manager	Sep 2022
Heather Tanner	Principal		Principal	
Tina Matthews	Staff Rep	elected	Teacher	Sep 2022
Joanna Harris	Member	elected	Customer Service Rep	Sep 2022
Julie Hyland	Member	elected	Social Worker	Sep 2022
Riamondja Williams	Treasurer	appointed	Full-time Mother	Sep 2022

Kelvin Road School

Annual Report

For the year ended 31 December 2021

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Kelvin Road 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.

JOANNA HARRIS

Full Name of Presiding Member

Heather Tanner

Full Name of Principal

J. Harris

Signature of Presiding Member

H. Tanner

Signature of Principal

26/01/23

Date:

26/01/2023

Date:

Kelvin Road School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	4,421,218	5,364,241	4,449,787
Locally Raised Funds	3	35,468	46,300	112,252
Interest Income		14,140	20,000	33,803
		<u>4,470,826</u>	<u>5,430,541</u>	<u>4,595,842</u>
Expenses				
Locally Raised Funds	3	18,516	23,200	21,415
Learning Resources	4	2,804,261	3,796,958	2,766,684
Administration	5	516,532	263,776	209,048
Finance		1,449	-	1,119
Property	6	785,569	1,217,104	1,112,138
Depreciation	11	144,362	150,000	126,233
Loss on Disposal of Property, Plant and Equipment		375	-	3,378
		<u>4,271,064</u>	<u>5,451,038</u>	<u>4,240,015</u>
Net Surplus / (Deficit) for the year		199,762	(20,497)	355,827
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>199,762</u>	<u>(20,497)</u>	<u>355,827</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.

Kelvin Road School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	2021	2021	2020
Notes	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Balance at 1 January	<u>2,680,413</u>	<u>2,680,329</u>	<u>2,324,586</u>
Total comprehensive revenue and expense for the year	199,762	(20,497)	355,827
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	10,638	-	-
Equity at 31 December	<u>2,890,813</u>	<u>2,659,832</u>	<u>2,680,413</u>
Retained Earnings	2,890,813	2,659,832	2,680,413
Equity at 31 December	<u>2,890,813</u>	<u>2,659,832</u>	<u>2,680,413</u>

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

Kelvin Road School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	529,930	140,078	342,061
Accounts Receivable	8	186,087	181,200	309,053
GST Receivable		9,419	6,750	6,766
Prepayments		2,111	-	-
Inventories	9	2,234	1,950	1,950
Investments	10	1,326,612	1,320,000	1,320,038
		<u>2,056,393</u>	<u>1,649,978</u>	<u>1,979,868</u>
Current Liabilities				
Accounts Payable	12	264,617	274,100	274,011
Revenue Received in Advance	13	8,346	7,750	7,778
Provision for Cyclical Maintenance	14	2,769	31,833	13,833
Finance Lease Liability	15	8,633	3,973	3,378
Funds Held for Capital Works Projects	16	56,279	(55,288)	72,935
		<u>340,644</u>	<u>262,368</u>	<u>371,935</u>
Working Capital Surplus/(Deficit)		1,715,749	1,387,610	1,607,933
Non-current Assets				
Property, Plant and Equipment	11	1,177,555	1,151,683	1,051,683
Capital Works in Progress		91,075	178,168	78,168
		<u>1,268,630</u>	<u>1,329,851</u>	<u>1,129,851</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	82,717	54,550	54,550
Finance Lease Liability	15	10,849	3,079	2,821
		<u>93,566</u>	<u>57,629</u>	<u>57,371</u>
Net Assets		<u><u>2,890,813</u></u>	<u><u>2,659,832</u></u>	<u><u>2,680,413</u></u>
Equity		<u><u>2,890,813</u></u>	<u><u>2,659,832</u></u>	<u><u>2,680,413</u></u>

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

Kelvin Road School

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021 Budget	2020
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	1,316,933	1,184,463	1,306,514
Locally Raised Funds	37,909	46,010	30,135
Goods and Services Tax (net)	(2,653)	16	10,324
Payments to Employees	(857,914)	(554,731)	(682,536)
Payments to Suppliers	(248,142)	(420,329)	(269,915)
Interest Paid	(1,449)	-	(1,119)
Interest Received	17,374	20,004	38,357
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Operating Activities	262,058	275,433	431,760
Cash flows from Investing Activities			
Proceeds from Sale of Property Plant & Equipment	(375)	-	(3,378)
Purchase of Property Plant & Equipment	(192,332)	(367,403)	(397,041)
Purchase of Investments	(6,574)	-	(4,826)
Proceeds from Sale of Investments	-	38	-
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Investing Activities	(199,281)	(367,365)	(405,245)
Cash flows from Financing Activities			
Furniture and Equipment Grant	10,638	-	-
Finance Lease Payments	2,888	18,256	(2,320)
Funds Administered on Behalf of Third Parties	111,566	(128,223)	(89,938)
	<hr/>	<hr/>	<hr/>
Net cash from/(to) Financing Activities	125,092	(109,967)	(92,258)
	<hr/>	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	187,869	(201,899)	(65,743)
Cash and cash equivalents at the beginning of the year	7	342,061	341,977
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	7	529,930	140,078
	<hr/>	<hr/>	<hr/>
		342,061	

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.

Kelvin Road School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Reporting Entity

Kelvin Road 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.

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

Useful lives of property, plant and equipment

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

Finance Lease Payments

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Cash and Cash Equivalents

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

Accounts Receivable

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

Inventories

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

Investments

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

Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown owned assets	40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Impairment of property, plant, and equipment

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

Non cash generating assets

Property, plant, and equipment held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Accounts Payable

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

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Revenue Received in Advance

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

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Provision for Cyclical Maintenance

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

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

Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

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

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

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Services Received In-Kind

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

Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

2 Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,182,412	1,104,241	1,188,172
Teachers' Salaries Grants	2,145,377	3,200,000	2,227,990
Use of Land and Buildings Grants	639,198	935,000	921,219
Other MoE Grants	452,005	122,000	107,575
Other Government Grants	2,226	3,000	4,831
	<u>4,421,218</u>	<u>5,364,241</u>	<u>4,449,787</u>

The School has opted in to the donations scheme for this year. Total amount received was \$63,300. (2020 : \$69,600 was received)

3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	1,000	5,000	82,765
Fees for Extra Curricular Activities	22,964	19,900	17,709
Trading	10,098	20,400	10,654
Fundraising & Community Grants	1,406	1,000	1,124
	<u>35,468</u>	<u>46,300</u>	<u>112,252</u>
Expenses			
Extra Curricular Activities Costs	4,556	2,300	9,043
Trading	13,650	20,400	11,329
Fundraising and Community Grant Costs	310	500	1,043
	<u>18,516</u>	<u>23,200</u>	<u>21,415</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>16,952</u>	<u>23,100</u>	<u>90,837</u>

4 Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	62,210	112,515	66,831
Equipment Repairs	89	2,000	10,738
Information and Communication Technology	25,362	32,000	21,975
Extra-Curricular Activities	5,647	8,843	-
Library Resources	619	5,000	2,248
Employee Benefits - Salaries	2,703,191	3,600,000	2,661,294
Staff Development	7,143	36,600	3,598
	<u>2,804,261</u>	<u>3,796,958</u>	<u>2,766,684</u>

Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

5 Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,742	6,100	5,792
Board Fees	2,490	2,800	2,330
Board Expenses	14,739	19,700	13,542
Communication	2,667	4,500	4,300
Consumables	6,896	9,700	6,414
Other	11,130	16,900	11,746
Employee Benefits - Salaries	140,289	194,400	154,350
Insurance	4,411	4,126	4,430
Service Providers, Contractors and Consultancy	7,458	5,550	6,144
Healthy School Lunches	319,710	-	-
	<u>516,532</u>	<u>263,776</u>	<u>209,048</u>

6 Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	18,838	24,800	23,708
Cyclical Maintenance Expense	17,103	18,000	(40,977)
Grounds	1,613	11,300	4,745
Heat, Light and Water	32,288	37,000	31,090
Rates	-	500	-
Repairs and Maintenance	16,436	37,204	28,798
Reversal of impairment	(80,414)	-	-
Use of Land and Buildings	639,198	935,000	921,219
Security	6,619	20,000	15,297
Employee Benefits - Salaries	133,888	133,300	128,258
	<u>785,569</u>	<u>1,217,104</u>	<u>1,112,138</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. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes

7 Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	529,930	140,078	342,061
Cash and cash equivalents for Statement of Cash Flows	<u>529,930</u>	<u>140,078</u>	<u>342,061</u>

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

Of the \$529,930 Cash and Cash Equivalents, \$67,421 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

8 Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	365	2,500	2,238
Receivables from the Ministry of Education	183,252	173,000	128,222
Interest Receivable	2,470	5,700	5,704
Teacher Salaries Grant Receivable	-	-	172,889
	<u>186,087</u>	<u>181,200</u>	<u>309,053</u>
Receivables from Exchange Transactions	2,835	8,200	7,942
Receivables from Non-Exchange Transactions	183,252	173,000	301,111
	<u>186,087</u>	<u>181,200</u>	<u>309,053</u>

9 Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	2,234	1,950	1,950
	<u>2,234</u>	<u>1,950</u>	<u>1,950</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	1,326,612	1,320,000	1,320,038
Total Investments	<u>1,326,612</u>	<u>1,320,000</u>	<u>1,320,038</u>

11 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Buildings	551,759	-	(50,194)	-	(16,944)	484,621
Furniture and Equipment	339,494	279,617	-	-	(65,090)	554,021
Information and Communication Technology	132,081	18,937	(375)	-	(50,827)	99,816
Leased Assets	6,542	20,547	-	-	(8,562)	18,527
Library Resources	21,807	1,702	-	-	(2,939)	20,570
Balance at 31 December 2021	<u>1,051,683</u>	<u>320,803</u>	<u>(50,569)</u>	<u>-</u>	<u>(144,362)</u>	<u>1,177,555</u>
	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Buildings	628,614	(143,993)	484,621	678,808	(127,049)	551,759
Furniture and Equipment	1,325,778	(771,757)	554,021	1,049,914	(710,420)	339,494
Information and Communication Technology	1,126,369	(1,026,553)	99,816	1,107,848	(975,767)	132,081
Leased Assets	27,798	(9,271)	18,527	17,403	(10,861)	6,542
Library Resources	73,543	(52,973)	20,570	71,842	(50,035)	21,807
Balance at 31 December	<u>3,182,102</u>	<u>(2,004,547)</u>	<u>1,177,555</u>	<u>2,925,815</u>	<u>(1,874,132)</u>	<u>1,051,683</u>

The net carrying value of equipment held under a finance lease is \$18,527 (2020: \$6,542).

Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

12 Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	29,158	25,000	24,991
Accruals	8,099	6,100	6,100
Banking Staffing Overuse	8,892	-	-
Employee Entitlements - Salaries	204,833	223,000	222,920
Employee Entitlements - Leave Accrual	13,635	20,000	20,000
	<u>264,617</u>	<u>274,100</u>	<u>274,011</u>
Payables for Exchange Transactions	264,617	274,100	274,011
	<u>264,617</u>	<u>274,100</u>	<u>274,011</u>

The carrying value of payables approximates their fair value.

13 Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other Revenue in Advance	8,346	7,750	7,778
	<u>8,346</u>	<u>7,750</u>	<u>7,778</u>

14 Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	68,383	68,383	109,360
Increase/(decrease) to the Provision During the Year	17,103	18,000	(40,977)
Provision at the End of the Year	<u>85,486</u>	<u>86,383</u>	<u>68,383</u>
Cyclical Maintenance - Current	2,769	31,833	13,833
Cyclical Maintenance - Term	82,717	54,550	54,550
	<u>85,486</u>	<u>86,383</u>	<u>68,383</u>

15 Finance Lease Liability

The school has entered into a number of finance lease agreements for laptops.
Minimum lease payments payable (includes interest portion):

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	10,011	-	3,777
Later than One Year and no Later than Five Years	11,599	-	3,018
	<u>21,610</u>	<u>-</u>	<u>6,795</u>
Represented by			
Finance lease liability - Current	8,633	3,973	3,378
Finance lease liability - Term	10,849	3,079	2,821
	<u>19,482</u>	<u>7,052</u>	<u>6,199</u>

Kelvin Road School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

16 Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

2021		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Block 1-6 Class Refurbishment incl R 3 Deck	<i>In progress</i>	(28,812)	28,662	-	-	(150)
Admin Upgrade including LED Lighting - SIP	<i>In progress</i>	-	65,711	-	-	65,711
Jnr Play Area - SIP	<i>In progress</i>	834	325	(12,151)	-	(10,992)
Middle/Snr Playground - SIP	<i>In progress</i>	(99,410)	109,310	(8,190)	-	1,710
Staging & Shade Canopy - SIP	<i>Completed</i>	72,101	-	(72,101)	-	-
Totals		(55,287)	204,008	(92,442)	-	56,279
Represented by:						
Funds Held on Behalf of the Ministry of Education						67,421
Funds Due from the Ministry of Education						(11,142)
						<u>56,279</u>

2020		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Carving Project	<i>Completed</i>	(37,795)	-	-	37,795	-
Shade Project	<i>In progress</i>	(145,979)	-	-	145,979	-
Heat Pump	<i>In progress</i>	(6,817)	6,817	-	-	-
Project R7-12 & 16-19	<i>In progress</i>	(440)	440	-	-	-
Block 1-6 Class Refurbishment incl R 3 Deck	<i>In progress</i>	225,682	60,500	(314,994)	-	(28,812)
Jnr Play Area - SIP	<i>In progress</i>	-	40,500	(39,666)	-	834
Middle/Snr Playground - SIP	<i>In progress</i>	-	-	(99,410)	-	(99,410)
Staging & Shade Canopy - SIP	<i>In progress</i>	-	81,000	(8,899)	-	72,101
Totals		34,651	189,257	(462,969)	183,774	(55,287)

17 Related Party Transactions

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

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

18 Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	2,490	2,330
<i>Leadership Team</i>		
Remuneration	607,335	397,533
Full-time equivalent members	5.00	3.00
Total key management personnel remuneration	609,825	399,863
Total full-time equivalent personnel	5.00	3.00

There are 5 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has 1 Finance person who meets with the executive officer fortnightly and 1 Property person who meets with our project manager monthly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180-190	170-180
Benefits and Other Emoluments	5-10	5-10
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
110-120	1	1
100-110	3	3
	4	4

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

19 Compensation and Other Benefits Upon Leaving

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

20 Contingencies

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

(Contingent liabilities and assets as at 31 December 2020: nil)

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

21 Commitments

(a) Capital Commitments

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

(Capital commitments as at 31 December 2020: nil)

(b) Operating Commitments

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

22 Financial Instruments

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	529,930	140,078	342,061
Receivables	186,087	181,200	309,053
Investments - Term Deposits	1,326,612	1,320,000	1,320,038
Total Financial assets measured at amortised cost	<u>2,042,629</u>	<u>1,641,278</u>	<u>1,971,152</u>
Financial liabilities measured at amortised cost			
Payables	264,617	274,100	274,011
Finance Leases	19,482	7,052	6,199
Total Financial Liabilities Measured at Amortised Cost	<u>284,099</u>	<u>281,152</u>	<u>280,210</u>

23 Events After Balance Date

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

24 Comparatives

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

25 COVID 19 Pandemic on going implications

Impact of Covid-19

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

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

Impact on operations

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

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

Reduction in locally raised funds

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

Increased Remote learning additional costs

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