

# **Holy Cross School (Papatoetoe)**

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

<b>Ministry Number:</b>	1315
<b>Principal:</b>	Bruce Young
<b>School Address:</b>	21 Carruth Road, Papatoetoe
<b>School Postal Address:</b>	PO Box 23033, Hunters Corner, Papatoetoe, 2155
<b>School Phone:</b>	09-2788224
<b>School Email:</b>	brucey@hcp.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

# Holy Cross School (Papatoetoe)

## Annual Report

For the year ended 31 December 2021

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## Holy Cross (Papatoetoe) School

# Members of the Board

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Don Siluuga	Presiding Member	Elected	Sep-22
Bruce Young	Principal		
Clare Mafi	Member	Elected	Sep-22
Grant Pritchard	Member	Elected	Sep-22
Salesi Lelaulu	Member	Elected	Sep-22
Louis Solia	Proprietor's Rep	Elected	Sep-22
Seuma Anitelea	Member	Elected	Sep-22
Stephen Grey	Proprietor's Rep	Elected	Sep-22
Reece Autagavaia	Member	Elected	Sep-22
Ane Vaotuaa	Proprietor's Rep	Elected	Sep-22
Ann O'Grady	Staff Rep	Elected	Sep-22

**Holy Cross School (Papatoetoe)**  
**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.

Don Silunga  
Full Name of Presiding Member

[Signature]  
Signature of Presiding Member

16.12.22  
Date:

Julie Paul  
Full Name of Principal

[Signature]  
Signature of Principal

16-12-22  
Date:

# Holy Cross (Papatoetoe) School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	4,045,076	3,665,000	3,939,932
Locally Raised Funds	3	124,320	138,200	126,818
Use of Proprietor's Land and Buildings		680,586	266,667	1,088,938
Interest Income		7,259	10,000	16,404
		<u>4,857,241</u>	<u>4,079,867</u>	<u>5,172,092</u>
<b>Expenses</b>				
Locally Raised Funds	3	122,878	160,730	134,587
Learning Resources	4	3,225,040	3,238,500	3,153,399
Administration	5	201,468	248,800	208,530
Finance		13,915	-	3,742
Property	6	941,162	509,750	1,289,630
Depreciation	11	203,940	200,000	164,774
Amortisation of Equitable Lease		12,006	12,006	12,006
Loss on Disposal of Property, Plant and Equipment		3,132	-	2,320
		<u>4,723,541</u>	<u>4,369,786</u>	<u>4,968,988</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>133,700</b>	<b>(289,919)</b>	<b>203,104</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>133,700</u></u>	<u><u>(289,919)</u></u>	<u><u>203,104</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.

**Holy Cross (Papatoetoe) School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2021

	2021	2021	2020
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Balance at 1 January</b>	2,193,654	2,193,654	1,972,094
Total comprehensive revenue and expense for the year	133,700	(289,919)	203,104
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	19,754	-	18,456
<b>Equity at 31 December</b>	<b>2,347,108</b>	<b>1,903,735</b>	<b>2,193,654</b>
Retained Earnings	2,347,108	1,903,735	2,193,654
<b>Equity at 31 December</b>	<b>2,347,108</b>	<b>1,903,735</b>	<b>2,193,654</b>

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.

# Holy Cross (Papatoetoe) School

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	921,738	477,080	1,136,676
Accounts Receivable	8	262,039	227,000	297,240
GST Receivable		8,600	33,000	32,520
Prepayments		21,292	18,000	17,988
Inventories	9	33,906	42,000	41,109
Investments	10	415,880	450,000	-
		<u>1,663,455</u>	<u>1,247,080</u>	<u>1,525,533</u>
<b>Current Liabilities</b>				
Accounts Payable	13	304,178	279,000	274,594
Revenue Received in Advance	14	19,920	7,000	6,669
Provision for Cyclical Maintenance	15	43,584	67,000	30,672
Painting Contract Liability	16	5,894	5,894	5,894
Finance Lease Liability	17	35,535	13,529	23,672
Funds Held on Behalf of Community of Learning Cluster	18	5,885	20,000	20,696
		<u>414,996</u>	<u>392,423</u>	<u>362,197</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,248,459</b>	<b>854,657</b>	<b>1,163,336</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,067,490	916,218	914,218
Equitable Leasehold Interest	12	192,826	192,826	204,832
		<u>1,260,316</u>	<u>1,109,044</u>	<u>1,119,050</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	59,534	33,000	42,343
Painting Contract Liability	16	17,682	17,682	23,576
Finance Lease Liability	17	84,451	9,284	22,813
		<u>161,667</u>	<u>59,966</u>	<u>88,732</u>
<b>Net Assets</b>		<u><u>2,347,108</u></u>	<u><u>1,903,735</u></u>	<u><u>2,193,654</u></u>
<b>Equity</b>		<u><u>2,347,108</u></u>	<u><u>1,903,735</u></u>	<u><u>2,193,654</u></u>

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

# Holy Cross (Papatoetoe) School Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021 Budget	2020
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	1,397,336	1,135,459	1,238,272
Locally Raised Funds	136,011	138,531	127,709
Goods and Services Tax (net)	23,920	(480)	(15,020)
Funds Administered on Behalf of Third Parties	(14,811)	(696)	392
Payments to Employees	(606,374)	(599,019)	(539,439)
Payments to Suppliers	(463,835)	(661,668)	(515,344)
Interest Paid	(13,915)	-	(3,742)
Interest Received	6,228	9,843	18,798
<b>Net cash from/(to) Operating Activities</b>	<b>464,560</b>	<b>21,970</b>	<b>311,626</b>
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment	(3,132)	-	-
Purchase of Property Plant & Equipment	(238,176)	(388,580)	(219,795)
Purchase of Investments	(415,880)	(450,000)	-
Proceeds from Sale of Investments	-	-	710,528
<b>Net cash from/(to) Investing Activities</b>	<b>(657,188)</b>	<b>(838,580)</b>	<b>490,733</b>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	19,754	-	18,456
Finance Lease Payments	(36,170)	162,908	(17,895)
Painting Contract Payments	(5,894)	(5,894)	(5,894)
<b>Net cash from/(to) Financing Activities</b>	<b>(22,310)</b>	<b>157,014</b>	<b>(5,333)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(214,938)</b>	<b>(659,596)</b>	<b>797,026</b>
Cash and cash equivalents at the beginning of the year	7 1,136,676	1,136,676	339,650
<b>Cash and cash equivalents at the end of the year</b>	<b>7 921,738</b>	<b>477,080</b>	<b>1,136,676</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.



# Holy Cross School (Papatoetoe)

## Notes to the Financial Statements

For the year ended 31 December 2021

### 1. Statement of Accounting Policies

#### Reporting Entity

Holy Cross School (Papatoetoe) (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 Proprietor'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 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 11.

# Holy Cross School (Papatoetoe)

## 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.

#### **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.

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the 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.

#### **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.

# Holy Cross School (Papatoetoe)

## 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:

Buildings - School	40 years
Furniture and equipment	3-18 years
Information and communication technology	5-10 years
Motor vehicles	8 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### Impairment of property, plant, and equipment

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

#### *Non cash generating assets*

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

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

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

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

### Accounts Payable

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

### Employee Entitlements

#### *Short-term employee entitlements*

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

#### *Long-term employee entitlements*

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

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

### Revenue Received in Advance

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

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

## Holy Cross School (Papatoetoe)

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

### Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. 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, finance lease liability and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

### Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

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

### Services Received In-Kind

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

## Holy Cross (Papatoetoe) 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	1,169,465	1,000,000	1,134,845
Teachers' Salaries Grants	2,685,344	2,600,000	2,646,707
Resource Teachers Learning and Behaviour Grants	3,884	5,000	4,511
Other MoE Grants	186,383	60,000	152,561
Other Government Grants	-	-	1,308
	<u>4,045,076</u>	<u>3,665,000</u>	<u>3,939,932</u>

The School has opted in to the donations scheme for this year. Total amount received was \$86,400. (2020 : \$85,800 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)	\$
<b>Revenue</b>			
Donations & Bequests	41,226	10,000	14,012
Fees for Extra Curricular Activities	16,439	38,200	34,702
Trading	66,294	90,000	78,104
Fundraising & Community Grants	361	-	-
	<u>124,320</u>	<u>138,200</u>	<u>126,818</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	31,411	62,000	49,572
Trading	91,467	98,730	85,015
	<u>122,878</u>	<u>160,730</u>	<u>134,587</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>1,442</u>	<u>(22,530)</u>	<u>(7,769)</u>

#### 4 Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	51,718	115,500	79,509
Equipment Repairs	-	2,000	-
Information and Communication Technology	33,707	20,000	20,784
Extra-Curricular Activities	-	5,000	-
Library Resources	154	1,500	883
Employee Benefits - Salaries	3,089,700	3,001,000	2,993,835
Staff Development	49,761	93,500	58,388
	<u>3,225,040</u>	<u>3,238,500</u>	<u>3,153,399</u>

## Holy Cross (Papatoetoe) 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	7,562	14,500	6,576
Board Fees	5,225	8,000	5,515
Board Expenses	19,156	18,000	15,094
Communication	5,201	7,000	5,483
Consumables	15,723	24,100	13,138
Operating Lease	2,630	2,500	2,442
Other	24,667	36,200	22,683
Employee Benefits - Salaries	105,337	111,000	118,147
Insurance	8,671	20,000	12,300
Service Providers, Contractors and Consultancy	7,296	7,500	7,152
	<u>201,468</u>	<u>248,800</u>	<u>208,530</u>

#### 6 Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	15,864	22,000	19,596
Consultancy and Contract Services	2,925	3,500	2,592
Cyclical Maintenance Expense	30,103	31,383	14,466
Grounds	16,168	6,200	5,712
Heat, Light and Water	34,075	51,000	31,468
Repairs and Maintenance	62,313	33,000	37,355
Use of Land and Buildings	680,586	266,667	1,088,938
Security	7,709	6,000	4,325
Employee Benefits - Salaries	91,419	90,000	85,178
	<u>941,162</u>	<u>509,750</u>	<u>1,289,630</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	606,050	127,080	239,160
Short-term Bank Deposits	315,688	350,000	897,516
Cash and cash equivalents for Statement of Cash Flows	<u>921,738</u>	<u>477,080</u>	<u>1,136,676</u>

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

Of the \$921,737 Cash and Cash Equivalents, \$5,885 is held by the School on behalf of the CoL cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

## Holy Cross (Papatoetoe) School

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

For the year ended 31 December 2021

#### 8 Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Interest Receivable	2,874	2,000	1,843
Bank Staffing Underuse	25,050	-	70,459
Teacher Salaries Grant Receivable	234,115	225,000	224,938
	<u>262,039</u>	<u>227,000</u>	<u>297,240</u>
Receivables from Exchange Transactions	2,874	2,000	1,843
Receivables from Non-Exchange Transactions	259,165	225,000	295,397
	<u>262,039</u>	<u>227,000</u>	<u>297,240</u>

#### 9 Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	33,906	42,000	41,109
	<u>33,906</u>	<u>42,000</u>	<u>41,109</u>

#### 10 Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	415,880	450,000	-
Total Investments	<u>415,880</u>	<u>450,000</u>	<u>-</u>

#### 11 Property, Plant and Equipment

	Opening Balance					
	(NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Building Improvements	3,728	-	-	-	(112)	3,616
Furniture and Equipment	646,729	115,331	-	-	(104,540)	657,520
Information and Communication Technology	216,333	125,683	-	-	(53,912)	288,104
Leased Assets	42,076	117,476	-	-	(44,867)	114,685
Library Resources	5,352	1,854	(3,132)	-	(509)	3,565
Balance at 31 December 2021	<u>914,218</u>	<u>360,344</u>	<u>(3,132)</u>	<u>-</u>	<u>(203,940)</u>	<u>1,067,490</u>
	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	4,475	(859)	3,616	4,475	(747)	3,728
Furniture and Equipment	1,884,309	(1,226,789)	657,520	1,768,979	(1,122,250)	646,729
Information and Communication Technology	1,403,083	(1,114,979)	288,104	1,277,400	(1,061,067)	216,333
Leased Assets	304,056	(189,371)	114,685	186,580	(144,504)	42,076
Library Resources	8,348	(4,783)	3,565	15,657	(10,305)	5,352
Balance at 31 December	<u>3,604,271</u>	<u>(2,536,781)</u>	<u>1,067,490</u>	<u>3,253,091</u>	<u>(2,338,873)</u>	<u>914,218</u>

The net carrying value of equipment held under a finance lease is \$24,788 (2020: \$42,076).

The net carrying value of motor vehicles held under a finance lease is \$89,897 (2020: \$0)



## Holy Cross (Papatoetoe) School

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

For the year ended 31 December 2021

#### 12 Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the Board's interest in capital works assets owned by the Proprietor but paid for in whole or part by the Board of Trustees, either from Government funding or community raised funds.

A lease between the Board and the Proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over the economic life of the capital works assets(s) involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the school.

The major capital works assets included in the equitable leasehold interest are:

Building Alterations  
Library Buildings  
Toilet Block

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	51,176	51,176	54,831
	78,414	78,414	84,015
	63,236	63,236	65,986
	<u>192,826</u>	<u>192,826</u>	<u>204,832</u>

#### 13 Accounts Payable

Creditors  
Accruals  
Employee Entitlements - Salaries  
Employee Entitlements - Leave Accrual

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	32,779	9,000	8,096
	7,527	7,000	6,541
	246,861	240,000	237,676
	17,011	23,000	22,281
	<u>304,178</u>	<u>279,000</u>	<u>274,594</u>

Payables for Exchange Transactions

	304,178	279,000	274,594
	<u>304,178</u>	<u>279,000</u>	<u>274,594</u>

The carrying value of payables approximates their fair value.

#### 14 Revenue Received in Advance

Other Revenue in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	19,920	7,000	6,669
	<u>19,920</u>	<u>7,000</u>	<u>6,669</u>

#### 15 Provision for Cyclical Maintenance

Provision at the Start of the Year  
Increase/(decrease) to the Provision During the Year  
Use of the Provision During the Year  
Provision at the End of the Year

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	73,015	73,015	58,549
	30,103	31,383	14,466
	-	(4,398)	-
	<u>103,118</u>	<u>100,000</u>	<u>73,015</u>
	43,584	67,000	30,672
	59,534	33,000	42,343
	<u>103,118</u>	<u>100,000</u>	<u>73,015</u>

## Holy Cross (Papatoetoe) School

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

For the year ended 31 December 2021

#### 16 Painting Contract Liability

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Due within one year	5,894	5,894	5,894
Due after one year	17,682	17,682	23,576
	<u>23,576</u>	<u>23,576</u>	<u>29,470</u>

In 2019 the Board signed an agreement with CARUS Group Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Proprietor owned buildings in 2019, with regular maintenance in subsequent years. The agreement has an annual commitment of \$5,894. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

#### 17 Finance Lease Liability

The school has entered into 13 finance lease agreements for TELA Laptops & Chromebooks & Photocopiers & Vans.  
Minimum lease payments payable (includes interest portion):

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	45,305	13,529	26,898
Later than One Year and no Later than Five Years	95,847	9,284	24,712
	<u>141,152</u>	<u>22,813</u>	<u>51,610</u>
<b>Represented by</b>			
Finance lease liability - Current	35,535	13,529	23,672
Finance lease liability - Term	84,451	9,284	22,813
	<u>119,986</u>	<u>22,813</u>	<u>46,485</u>

#### 18 Funds Held on Behalf of Community of Learning Cluster

Holy Cross (Papatoetoe) School is the lead school and holds the funds on behalf of the CoL cluster, a group of schools funded by the Ministry of Education for CoL meeting and traveling.

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held at Beginning of the Year	20,696	20,000	20,304
Funds Received from Cluster Members	-	3,000	3,023
Funds Spent on Behalf of the Cluster	58	3,000	2,631
Distribution of Funds			
St Anne's School	14,753	-	-
Funds Held at Year End	<u>5,885</u>	<u>20,000</u>	<u>20,696</u>

Funds totalling [\$14,753] were transferred to St Anne's School from Holy Cross (Papatoetoe) school.

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

## Holy Cross (Papatoetoe) School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 19 Related Party Transactions

The Proprietor of the School (Catholic Diocese of Auckland) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects funds on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1. The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$62,265 (2020: \$69,207). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$17,717 (2020: \$6,462).

### 20 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	5,225	5,515
<i>Leadership Team</i>		
Remuneration	488,258	400,651
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	493,483	406,166
Total full-time equivalent personnel	4.13	3.13

There are 10 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (1 member) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

#### Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	170-180
Benefits and Other Emoluments	25-30	20-25

#### 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
120-130	-	1
100-110	3	2
	3	2

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

### 21 Compensation and Other Benefits Upon Leaving

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

# Holy Cross (Papatoetoe) School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 22 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 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.

### 23 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 2020 the Board has entered into the following contracts:

- Painting contract

	2021 Actual \$	2020 Actual \$
No later than One Year	5,894	5,894
Later than One Year and No Later than Five Years	17,682	23,576
	<u>23,576</u>	<u>29,470</u>

### 24 Financial Instruments

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	921,738	477,080	1,136,676
Receivables	262,039	227,000	297,240
Investments - Term Deposits	415,880	450,000	-
Total Financial assets measured at amortised cost	<u>1,599,657</u>	<u>1,154,080</u>	<u>1,433,916</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	304,178	279,000	274,594
Finance Leases	119,986	22,813	46,485
Painting Contract Liability	23,576	23,576	29,470
Total Financial Liabilities Measured at Amortised Cost	<u>447,740</u>	<u>325,389</u>	<u>350,549</u>

### 25 Events After Balance Date

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

### 26 Comparatives

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

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

### 27 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.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF HOLY CROSS SCHOOL'S (PAPATOETOE) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Holy Cross School (Papatoetoe) (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, 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 18, 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.

Our audit was completed on 16 December 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.

#### 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 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 school 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 information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report 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.



### **Matt Laing**

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand