

# BIRCHVILLE SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Ministry Number:	2810
Principal:	Robyn Brown
School Address:	16 Gemstone Drive, Birchville, Upper Hutt
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Accountant/Service Provider:	Accounting for Schools Limited

# BIRCHVILLE SCHOOL

Annual Report - For the year ended 31 December 2022

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**BIRCHVILLE SCHOOL**  
**Statement of Responsibility**  
**For the year ended 31 December 2022**

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 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Jessica Ellen Athukorala  
Full Name of Presiding Member

  
Signature of Presiding Member

29.06.23  
Date:

Robyn Brown  
Full Name of Principal

  
Signature of Principal

30/06/23  
Date:

# BIRCHVILLE SCHOOL

## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	1,384,815	1,384,257	1,341,634
Locally Raised Funds	3	65,034	39,414	36,227
Interest Earned		2,874	-	718
Gain on Revaluation of Shares		140	-	-
		<u>1,452,863</u>	<u>1,423,671</u>	<u>1,378,579</u>
<b>Expenses</b>				
Locally Raised Funds	3	23,816	21,214	16,602
Learning Resources	4	1,030,559	995,480	1,036,850
Administration	5	126,882	107,804	109,477
Property	6	258,349	299,025	215,659
Finance Costs		719	750	1,121
Unrealised Loss on Revaluation of Shares		-	-	281
		<u>1,440,325</u>	<u>1,424,273</u>	<u>1,379,990</u>
<b>Net Surplus / (Deficit)</b>		12,538	(602)	(1,411)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>12,538</u>	<u>(602)</u>	<u>(1,411)</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.

# BIRCHVILLE SCHOOL

## Statement of Changes in Net Assets/Equity For the year ended 31 December 2022

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Balance at 1 January</b>	293,532	293,527	290,747
Total comprehensive revenue and expense for the year	12,538	(602)	(1,411)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	4,196
<b>Equity at 31 December</b>	<b>306,070</b>	<b>292,925</b>	<b>293,532</b>
Accumulated Comprehensive Revenue and Expense	306,070	292,925	293,532
<b>Equity at 31 December</b>	<b>306,070</b>	<b>292,925</b>	<b>293,532</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.

**BIRCHVILLE SCHOOL**  
Statement of Financial Position  
As at 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	372,820	175,636	163,800
Accounts Receivable	8	84,160	72,600	70,357
GST Receivable		-	-	2,644
Investments	9	67,420	65,000	66,250
Funds held for Capital Works Projects	15	12,007	-	7,000
Prepayments		5,163	4,520	6,437
		<u>541,570</u>	<u>317,756</u>	<u>316,488</u>
<b>Current Liabilities</b>				
Accounts Payable	11	173,926	97,603	81,122
Finance Lease Liability	14	5,558	5,000	5,967
Funds held for Capital Works Projects	15	63,440	-	53,374
GST Payable		1,075	2,500	-
Revenue Received in Advance	12	102,970	5,000	4,622
Provision for Cyclical Maintenance	13	7,875	9,500	-
		<u>354,844</u>	<u>119,603</u>	<u>145,085</u>
<b>Working Capital Surplus</b>		186,726	198,153	171,403
<b>Non-current Assets</b>				
Investments	9	4,828	4,500	4,688
Property, Plant and Equipment	10	142,085	129,772	157,367
Work in Progress		20,392	-	-
		<u>167,305</u>	<u>134,272</u>	<u>162,055</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	39,706	30,000	34,200
Finance Lease Liability	14	8,255	9,500	5,726
		<u>47,961</u>	<u>39,500</u>	<u>39,926</u>
<b>Net Assets</b>		<u>306,070</u>	<u>292,925</u>	<u>293,532</u>
<b>Equity</b>		<u>306,070</u>	<u>292,925</u>	<u>293,532</u>

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

**BIRCHVILLE SCHOOL**  
Statement of Cash Flows  
For the year ended 31 December 2022

	2022	2022	2021
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
<b>Cash flows from Operating Activities</b>			
Government Grants	473,572	394,707	384,074
Locally Raised Funds	163,382	34,794	36,227
Goods and Services Tax (net)	3,724	5,139	(14,667)
Payments to Employees	(287,380)	(222,013)	(241,437)
Payments to Suppliers	(107,285)	(157,303)	(155,771)
Interest Paid	(719)	(750)	(1,121)
Interest Received	2,291	(22)	161
Net cash from / (to) the Operating Activities	247,585	59,552	7,466
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(45,101)	(5,587)	(17,995)
Purchase of Investments	(643)	-	-
Proceeds from Sale of Investments	-	1,438	-
Net cash from / (to) the Investing Activities	(45,744)	(4,149)	(17,995)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	4,196
Finance Lease Payments	2,120	2,807	(2,124)
Funds Held for Capital Works Projects	5,059	(46,374)	(38,906)
Net cash from Financing Activities	7,179	(43,567)	(36,834)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>209,020</b>	<b>11,836</b>	<b>(47,363)</b>
Cash and cash equivalents at the beginning of the year	7 163,800	163,800	211,163
<b>Cash and cash equivalents at the end of the year</b>	<b>7 372,820</b>	<b>175,636</b>	<b>163,800</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 Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### a) Reporting Entity

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

#### b) Basis of Preparation

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2022 to 31 December 2022 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.

##### **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 10.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

##### **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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 20b.

##### *Recognition of grants*

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

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

##### **Government Grants**

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School 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.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### **Other Grants where Conditions Exist**

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 an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

#### **Interest Revenue**

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

#### **d) Operating Lease Payments**

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

#### **e) Finance Lease Payments**

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

#### **f) Cash and Cash Equivalents**

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

#### **g) Accounts Receivable**

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

#### **h) Investments**

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

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

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

Improvements (funded by the Board) 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### **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	5 - 30 years
Furniture & Equipment	5 - 10 years
Information Technology	3 - 5 years
Leased Assets	3 - 5 years
Library resources	12.5% Diminishing value

#### **j) Impairment of property, plant, and equipment and intangible assets**

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

##### Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

#### **k) 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.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### l) 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 12 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. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### m) Funds Held for Capital Works

The School directly receives funding from the Ministry of Education for capital works projects that are included in the school five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Revenue and Expense. The school holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### n) Revenue Received in Advance

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

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

#### o) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### p) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

#### q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

#### r) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

#### s) 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.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	462,511	384,257	377,006
Other government grants	611	-	974
Teachers' salaries grants	769,630	800,000	809,593
Use of Land and Buildings grants	152,063	200,000	154,061
	<u>1,384,815</u>	<u>1,384,257</u>	<u>1,341,634</u>

The school has opted in to the donations scheme for this year. The total amount received was \$20,400 (2021: \$23,250).

### 3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Fees for Extra Curricular Activities	19,031	19,414	8,616
Donations & Bequests	2,435	5,000	4,985
Fundraising & Community Grants	36,350	10,000	15,708
Other revenue	3,112	-	3,200
Trading	4,106	5,000	3,718
	<u>65,034</u>	<u>39,414</u>	<u>36,227</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	17,037	19,714	12,278
Fundraising and Community Grant Costs	4,002	-	3,132
Trading	2,777	1,500	1,192
	<u>23,816</u>	<u>21,214</u>	<u>16,602</u>
<i>Surplus for the year Locally raised funds</i>	<u>41,218</u>	<u>18,200</u>	<u>19,625</u>

### 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	27,443	12,800	15,243
Depreciation	39,985	33,180	40,710
Employee benefits - salaries	951,659	940,000	969,516
Information and communication technology	5,766	3,000	5,519
Library resources	1,354	500	328
Staff development	4,352	6,000	5,534
	<u>1,030,559</u>	<u>995,480</u>	<u>1,036,850</u>

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Audit Fee	6,331	7,200	6,147
Board of Trustees Expenses	1,311	1,000	1,274
Board of Trustees Fees	4,195	6,000	4,930
Communication	825	900	829
Consumables	1,850	3,200	2,668
Employee Benefits - Salaries	93,101	68,500	70,078
Insurance	3,058	1,324	2,612
Other	8,872	11,180	13,376
Service Providers, Contractors and Consultancy	7,339	8,500	7,563
	<u>126,882</u>	<u>107,804</u>	<u>109,477</u>

### 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	9,878	6,200	8,209
Consultancy and Contract Services	18,159	20,000	19,573
Cyclical Maintenance Provision	13,381	24,825	(25,390)
Employee Benefits - Salaries	17,802	12,000	12,824
Grounds	721	500	446
Heat, Light and Water	13,808	9,500	12,935
Rates	1,643	2,000	1,706
Repairs and Maintenance	29,404	23,000	29,504
Security	1,490	1,000	1,791
Use of Land and Buildings	152,063	200,000	154,061
	<u>258,349</u>	<u>299,025</u>	<u>215,659</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	666	510	449
Bank Current Account	189,808	165,436	153,674
Bank Call Account	182,154	9,500	9,486
Savings Account	192	190	191
	<u>372,820</u>	<u>175,636</u>	<u>163,800</u>

Of the \$372,820 Cash and Cash Equivalents, \$63,440 is held by the School on behalf of the Ministry of Education (2021: \$53,374). These funds have been provided by the Ministry as part of the schools' 5 year agreement funding for upgrades to the school buildings.

### 8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	-	-	10,450
Interest Receivable	134	100	78
Teacher Salaries Grant Receivable	84,026	72,500	59,829
	<u>84,160</u>	<u>72,600</u>	<u>70,357</u>
Receivables from Exchange Transactions	134	100	78
Receivables from Non-Exchange Transactions	84,026	72,500	70,279
	<u>84,160</u>	<u>72,600</u>	<u>70,357</u>

### 9. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	67,420	65,000	66,250
Non-current Asset			
List Company Shares (Vector Limited)	4,828	4,500	4,688
	<u>72,248</u>	<u>69,500</u>	<u>70,938</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2022.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Furniture & Fittings	119,718	3,055	-	-	(23,062)	99,711
Information Technology	23,601	13,680	-	-	(10,494)	26,787
Leased Assets	11,063	7,968	-	-	(6,056)	12,975
Library Resources	2,985	-	-	-	(373)	2,612
<b>Balance at 31 December 2022</b>	<b>157,367</b>	<b>24,703</b>	<b>-</b>	<b>-</b>	<b>(39,985)</b>	<b>142,085</b>

The net carrying value of equipment held under a finance lease is \$12,975 (2021: \$11,063).

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	22,653	(22,653)	-	22,653	(22,653)	-
Furniture & Fittings	294,940	(195,229)	99,711	291,886	(172,168)	119,718
Information Technology	162,027	(135,240)	26,787	170,304	(146,703)	23,601
Leased Assets	52,815	(39,840)	12,975	44,847	(33,784)	11,063
Library Resources	4,470	(1,858)	2,612	4,470	(1,485)	2,985
<b>Balance at 31 December</b>	<b>536,905</b>	<b>(394,820)</b>	<b>142,085</b>	<b>534,160</b>	<b>(376,793)</b>	<b>157,367</b>

### 11. Accounts Payable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Creditors	76,482	19,083	13,611
Accruals	4,831	4,500	4,647
Banking staffing overuse	5,941	-	-
Employee Entitlements - salaries	84,026	72,500	59,829
Employee Entitlements - leave accrual	2,646	1,520	3,035
	<b>173,926</b>	<b>97,603</b>	<b>81,122</b>
Payables for Exchange Transactions	173,926	97,603	81,122
	<b>173,926</b>	<b>97,603</b>	<b>81,122</b>

The carrying value of payables approximates their fair value.

**BIRCHVILLE SCHOOL**  
Notes to the Financial Statements  
For the year ended 31 December 2022

**12. Revenue Received in Advance**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	\$	(Unaudited) \$	\$
Other revenue in advance	102,970	5,000	4,622
	<u>102,970</u>	<u>5,000</u>	<u>4,622</u>

**13. Provision for Cyclical Maintenance**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	\$	(Unaudited) \$	\$
Provision at the Start of the Year	34,200	34,200	67,424
Increase to the Provision During the Year	13,381	24,825	13,796
Adjustment to the Provision	-	-	(39,186)
Use of the Provision During the Year	-	(19,525)	(7,834)
Provision at the End of the Year	<u>47,581</u>	<u>39,500</u>	<u>34,200</u>
Cyclical Maintenance - Current	7,875	9,500	-
Cyclical Maintenance - Non Current	39,706	30,000	34,200
	<u>47,581</u>	<u>39,500</u>	<u>34,200</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

**14. Finance Lease Liability**

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

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	\$	(Unaudited) \$	\$
No Later than One Year	6,475	6,000	6,669
Later than One Year and no Later than Five Years	8,952	10,500	6,223
Future Finance Charges	(1,614)	(2,000)	(1,199)
	<u>13,813</u>	<u>14,500</u>	<u>11,693</u>
<b>Represented by</b>			
Finance Lease Liability - Current	5,558	5,000	5,967
Finance Lease Liability - Non Current	8,255	9,500	5,726
	<u>13,813</u>	<u>14,500</u>	<u>11,693</u>

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is under cash and cash equivalents in note 7:

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Outdoor Learning Space	<i>In Progress</i>	35,445	-	(38,610)	-	(3,165)
Fire Alarm Upgrade	<i>In Progress</i>	739	-	(9,581)	-	(8,842)
Entrance Way	<i>In Progress</i>	4,600	-	(4,600)	-	-
Electrical Switchboard Upgrade	<i>In Progress</i>	12,590	1,280	(13,870)	-	-
Classroom Upgrade	<i>In Progress</i>	(7,000)	150,000	(120,756)	-	22,244
Weathertightness Project	<i>In Progress</i>	-	70,300	(29,104)	-	41,196
			-	-	-	
Totals		46,374	221,580	(216,521)	-	51,433

#### Represented by:

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

63,440  
(12,007)

51,433

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Roofing Project	<i>Completed</i>	-	14,665	(14,665)	-	-
Outdoor Learning Space	<i>In Progress</i>	-	70,433	(34,988)	-	35,445
Fire Alarm Upgrade	<i>In Progress</i>	85,280	-	(84,541)	-	739
Entrance Way	<i>In Progress</i>	-	18,759	(14,159)	-	4,600
Electrical Switchboard Upgrade	<i>In Progress</i>	-	12,590	-	-	12,590
Classroom Upgrade	<i>In Progress</i>	-	-	(7,000)	-	(7,000)
Totals		85,280	116,447	(155,353)	-	46,374

### 16. 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.

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 17. Remuneration

#### Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	4,195	4,930
<i>Leadership Team</i>		
Remuneration	228,205	316,758
Full-time equivalent members	2.00	3.00
Total key management personnel remuneration	232,400	321,688
Total full-time equivalent personnel	2.00	3.23

There are 7 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has two Finance members and two Property members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Presiding Member 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(s)

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4

#### Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	1	-
	1	-

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

### 18. Compensation and Other Benefits Upon Leaving

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

	2022 Actual \$	2021 Actual \$
Total	-	15,649
Number of People	-	1

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 19. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

#### Teacher Aide & Support Staff Settlement Wash Up

In 2022 the Ministry of Education provided additional funding for both the support staff in School's Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022. The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is confirmed, the amount to be received is not known with a high level of certainty. The School has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

#### 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 2022, a contingent liability for the school may exist.

### 20. Commitments

#### (a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contracts with the Ministry of Education.

(a) a \$105,959 fire alarm upgrade project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$95,274 has been received of which \$104,116 had been spent on the project to balance date.

(b) a \$100,000 SIP covered learning area project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$70,433 has been received of which \$73,598 had been spent on the project to balance date.

(c) a \$185,564 classroom upgrade project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$150,000 has been received of which \$127,756 had been spent on the project to balance date.

(d) a weathertightness project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$70,300 has been received of which \$29,104 had been spent on the project to balance date.

(Capital commitments at 31 December 2021: \$440,919 of which \$165,348 had been spent).

#### (b) Operating Commitments

As at 31 December 2022 the Board has no operating commitments (2021: nil).

# BIRCHVILLE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 21. Financial Instruments

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
<b>Financial assets measured at amortised cost</b>			
	\$	\$	\$
Cash and Cash Equivalents	372,820	175,636	163,800
Receivables	84,160	72,600	70,357
Investments - Term Deposits	67,420	65,000	66,250
Total Financial assets measured at amortised cost	<u>524,400</u>	<u>313,236</u>	<u>300,407</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	173,926	97,603	81,122
Finance Leases	13,813	14,500	11,693
Total Financial Liabilities Measured at Amortised Cost	<u>187,739</u>	<u>112,103</u>	<u>92,815</u>

### 22. Events After Balance Date

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

### 23. Comparatives

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

# BIRCHVILLE SCHOOL

## Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Occupation</b>	<b>Term expired/expires</b>
Jess Athukorala	Presiding Member	Re-elected August 2022	Teacher	May 2025
Robyn Brown	Principal	Appointed September 2017	Principal	
Amit Kakroo	Parent Rep	Elected August 2022	IT Consultant	May 2025
Justin McLeary	Parent Rep	Elected August 2022	Army Officer	May 2025
Marie Vanderweg	Parent Rep	Elected August 2022	Project Manager	May 2025
Kathryn Wilson	Parent Rep	Elected August 2022	NZ Police	May 2025
Jarod Summers	Staff Rep	Re-elected August 2022	Teacher	May 2025
Brooke Douglas	Presiding Member	Re-elected May 2021	Police Dispatcher	August 2022
Joel Tait	Parent Rep	Re-elected May 2021	Rugby Coach	August 2022
Kevin Alkema	Parent Rep	Re-elected May 2021	Project Manager	August 2022
Amy-Leigh Nepia	Parent Rep	Re-elected May 2021	Housewife	August 2022
Cameron Thayer	Parent Rep	Re-elected May 2021	Auditor	August 2022
Kelly Salter	Secretary		Office Manager	June 2023

# **BIRCHVILLE SCHOOL**

## **Kiwisport / Statement of Compliance with Employment Policy For the year ended 31 December 2022**

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2022 the School received funding of \$2,196 (2021: \$1,993).

The funding was used to support the school wide sports programme and provide educational activities outside the classroom.

The Kiwisport funding did not cover all the above expenses, so the balance was subsidised by the Board through the bulk grant.

### **Statement of Compliance with Employment Policy**

For the year ended 31 December 2022 the Birchville School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspect of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contract of all staff employed by the Board.
- Ensures all employees and applicants for employments are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF BIRCHVILLE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Birchville School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit 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 20, that comprise the statement of financial position as at 31 December 2022, 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 2022*; 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 PBE Standards Reduced Disclosure Regime.

Our audit was completed on 30 June 2023. 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 arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1 and 21 to 22, 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.



**Geoff Potter**  
**BDO WELLINGTON AUDIT LIMITED**  
On behalf of the Auditor-General  
Wellington, New Zealand