

BIRCHVILLE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



Ministry Number: 2810

Principal: Robyn Brown

School Address: 16 Gemstone Drive, Birchville, Upper Hutt

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School Phone: 04 526-7128

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Accountant/Service Provider: Accounting for Schools Limited

BIRCHVILLE SCHOOL

Annual Report - For the year ended 31 December 2021

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BIRCHVILLE SCHOOL
Statement of Responsibility
For the year ended 31 December 2021

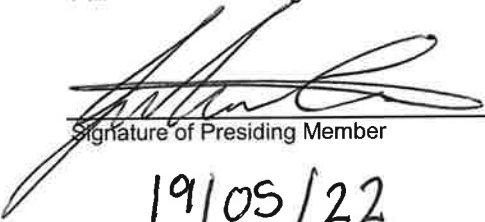
The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the School.


The School's 2021 financial statements are authorised for issue by the Board.

Jessica Athulcarala
Full Name of Presiding Member


Signature of Presiding Member

19/05/22
Date:

Robyn Brown
Full Name of Principal


Signature of Principal

19/05/22
Date:

BIRCHVILLE SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	1,341,634	1,331,925	1,532,809
Locally Raised Funds	3	36,227	49,800	54,342
Interest Earned		718	3,000	1,953
Gain on Revaluation of Shares		-	-	608
		<u>1,378,579</u>	<u>1,384,725</u>	<u>1,589,712</u>
Expenses				
Locally Raised Funds	3	16,602	22,300	31,671
Learning Resources	4	996,140	936,750	995,554
Administration	5	109,477	107,158	105,764
Property	6	215,659	282,000	364,057
Finance Costs		1,121	750	948
Depreciation	10	40,710	31,200	43,327
Loss on Disposal of Property, Plant and Equipment		-	-	4,662
Unrealised Loss on Revaluation of Shares		281	-	-
		<u>1,379,990</u>	<u>1,380,158</u>	<u>1,545,983</u>
Net Surplus / (Deficit)		(1,411)	4,567	43,729
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(1,411)</u>	<u>4,567</u>	<u>43,729</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 2021

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Balance at 1 January	<u>290,747</u>	<u>290,747</u>	<u>239,918</u>
Total comprehensive revenue and expense for the year	(1,411)	4,567	43,729
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	4,196	-	7,100
Equity at 31 December	<u>293,532</u>	<u>295,314</u>	<u>290,747</u>
Retained Earnings	293,532	295,314	290,747
Equity at 31 December	<u>293,532</u>	<u>295,314</u>	<u>290,747</u>

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

BIRCHVILLE SCHOOL
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	163,800	166,614	211,163
Accounts Receivable	8	70,357	50,500	85,203
GST Receivable		2,644	-	-
Investments	9	66,250	70,000	65,723
Prepayments		6,437	4,000	428
		<u>309,488</u>	<u>291,114</u>	<u>362,517</u>
Current Liabilities				
Accounts Payable	11	81,122	72,800	77,896
Finance Lease Liability	14	5,967	5,000	5,178
Funds held for Capital Works Projects	15	46,374	-	85,280
GST Payable		-	5,000	12,021
Revenue Received in Advance	12	4,622	-	378
Provision for Cyclical Maintenance	13	-	30,000	25,133
		<u>138,085</u>	<u>112,800</u>	<u>205,886</u>
Working Capital Surplus		171,403	178,314	156,631
Non-current Assets				
Investments	9	4,688	4,000	4,968
Property, Plant and Equipment	10	157,367	165,000	180,078
		<u>162,055</u>	<u>169,000</u>	<u>185,046</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	34,200	50,000	42,291
Finance Lease Liability	14	5,726	2,000	8,639
		<u>39,926</u>	<u>52,000</u>	<u>50,930</u>
Net Assets		<u>293,532</u>	<u>295,314</u>	<u>290,747</u>
Equity		<u>293,532</u>	<u>295,314</u>	<u>290,747</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 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		384,074	348,469	410,446
Locally Raised Funds		36,227	49,302	43,900
Goods and Services Tax (net)		(14,667)	(7,025)	24,862
Payments to Employees		(241,437)	(184,645)	(174,542)
Payments to Suppliers		(155,771)	(141,044)	(189,564)
Interest Paid		(1,121)	(750)	(948)
Interest Received		161	3,048	2,115
Net cash from / (to) the Operating Activities		7,466	66,977	116,269
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(17,995)	(16,120)	(37,468)
Purchase of Investments		-	(4,277)	21,856
Proceeds from Sale of Investments		-	968	(4,662)
Net cash from / (to) the Investing Activities		(17,995)	(19,429)	(20,274)
Cash flows from Financing Activities				
Furniture and Equipment Grant		4,196	-	7,100
Finance Lease Payments		(2,124)	(6,817)	6,062
Funds Held for Capital Works Projects		(38,906)	(85,280)	27,377
Net cash from Financing Activities		(36,834)	(92,097)	40,539
Net increase/(decrease) in cash and cash equivalents		(47,363)	(44,549)	136,534
Cash and cash equivalents at the beginning of the year	7	211,163	211,163	74,629
Cash and cash equivalents at the end of the year	7	163,800	166,614	211,163

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 2021

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 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.

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 2021

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the 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.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

BIRCHVILLE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

1. Statement of Accounting Policies

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

e) 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.

f) 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.

g) 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.

h) 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.

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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 2021

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

k) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

Employee 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.

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

p) Financial Instruments

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

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

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

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 2021

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational grants	297,319	292,525	327,791
Other government grants	974	-	273
Other MoE Grants	79,687	39,400	85,414
Teachers' salaries grants	809,593	800,000	868,338
Use of Land and Buildings grants	154,061	200,000	250,993
	1,341,634	1,331,925	1,532,809

The school has opted in to the donations scheme for this year. The total amount received was \$23,250 (2020: \$26,700).

There is no additional COVID-19 funding in Other MOE Grants for the year ended 31 December 2021 (2020: \$32,773).

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Fees for Extra Curricular Activities	8,616	11,800	22,471
Donations & Bequests	4,985	10,000	6,698
Fundraising & Community Grants	15,708	25,000	19,843
Other revenue	3,200	-	1,926
Trading	3,718	3,000	3,404
	36,227	49,800	54,342
Expenses			
Extra Curricular Activities Costs	12,278	15,300	28,587
Fundraising and Community Grant Costs	3,132	5,000	1,023
Trading	1,192	2,000	2,061
	16,602	22,300	31,671
<i>Surplus for the year Locally raised funds</i>	19,625	27,500	22,671

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	15,243	14,650	16,004
Employee benefits - salaries	969,516	910,000	970,783
Information and communication technology	5,519	3,000	4,684
Library resources	328	1,100	1,203
Staff development	5,534	8,000	2,880
	996,140	936,750	995,554

BIRCHVILLE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	6,147	5,488	5,488
Board of Trustees Expenses	1,274	1,000	1,007
Board of Trustees Fees	4,930	5,150	5,810
Communication	829	900	900
Consumables	2,668	4,300	4,113
Employee Benefits - Salaries	70,078	68,500	66,924
Insurance	2,612	3,300	3,450
Other	13,376	11,020	10,577
Service Providers, Contractors and Consultancy	7,563	7,500	7,495
	<u>109,477</u>	<u>107,158</u>	<u>105,764</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	8,209	6,000	6,950
Consultancy and Contract Services	19,573	25,000	26,643
Cyclical Maintenance Provision	(25,390)	6,000	32,465
Employee Benefits - Salaries	12,824	16,500	5,459
Grounds	446	500	592
Heat, Light and Water	12,935	9,500	12,065
Rates	1,706	2,000	1,832
Repairs and Maintenance	29,504	14,500	25,205
Security	1,791	2,000	1,853
Use of Land and Buildings	154,061	200,000	250,993
	<u>215,659</u>	<u>282,000</u>	<u>364,057</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 the school. 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 nationwide revaluation exercise that is conducted every 30th June for the Ministry of Education's year- end reporting purposes.

BIRCHVILLE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash on Hand	449	50	10
Bank Current Account	153,674	161,564	201,482
Bank Call Account	9,486	-	9,480
Savings Account	191	-	191
	<u>163,800</u>	<u>166,614</u>	<u>211,163</u>

Cash and cash equivalents for Cash Flow Statement

Of the \$163,800 Cash and Cash Equivalents, \$53,374 is held by the School on behalf of the Ministry of Education (2020: \$85,280). 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	500	-
Receivables from the Ministry of Education	10,450	-	16,544
Interest Receivable	78	-	48
Teacher Salaries Grant Receivable	59,829	50,000	68,611
	<u>70,357</u>	<u>50,500</u>	<u>85,203</u>
Receivables from Exchange Transactions	78	500	48
Receivables from Non-Exchange Transactions	70,279	50,000	85,155
	<u>70,357</u>	<u>50,500</u>	<u>85,203</u>

9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	66,250	70,000	65,723
Non-current Asset			
List Company Shares (Vector Limited)	4,688	4,000	4,968

BIRCHVILLE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Furniture & Fittings	133,108	11,837			(25,231)	119,718
Information Technology	32,136	657			(9,192)	23,601
Leased Assets	13,310	3,658			(5,905)	11,063
Library Resources	1,524	1,843			(382)	2,985
Balance at 31 December 2021	180,078	17,995	-	-	(40,710)	157,367

The net carrying value of equipment held under a finance lease is \$11,063 (2020: \$13,310).

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	22,653	(22,653)	-	22,653	(22,653)	-
Furniture & Fittings	291,886	(172,168)	119,718	280,049	(146,937)	133,108
Information Technology	170,304	(146,703)	23,601	169,647	(137,511)	32,136
Leased Assets	44,847	(33,784)	11,063	41,190	(27,880)	13,310
Library Resources	4,470	(1,485)	2,985	2,626	(1,102)	1,524
Balance at 31 December	534,160	(376,793)	157,367	516,165	(336,083)	180,078

11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	13,611	5,800	3,650
Accruals	4,647	5,000	3,988
Employee Entitlements - salaries	59,829	60,000	68,611
Employee Entitlements - leave accrual	3,035	2,000	1,647
	81,122	72,800	77,896
Payables for Exchange Transactions	81,122	72,800	77,896
	81,122	72,800	77,896

The carrying value of payables approximates their fair value.

BIRCHVILLE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2021

12. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other revenue in advance	4,622	-	378
	<u>4,622</u>	<u>-</u>	<u>378</u>

13. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	67,424	67,424	58,347
Increase to the Provision During the Year	13,796	6,000	32,465
Adjustment to the Provision	(39,186)	6,576	-
Use of the Provision During the Year	(7,834)	-	(23,388)
Provision at the End of the Year	<u>34,200</u>	<u>80,000</u>	<u>67,424</u>
Cyclical Maintenance - Current	-	30,000	25,133
Cyclical Maintenance - Term	34,200	50,000	42,291
	<u>34,200</u>	<u>80,000</u>	<u>67,424</u>

14. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	6,669	6,000	5,798
Later than One Year and no Later than Five Years	6,223	3,000	9,827
Future Finance Charges	(1,199)	(2,000)	(1,808)
	<u>11,693</u>	<u>7,000</u>	<u>13,817</u>
Represented by			
Finance Lease Liability - Current	5,967	5,000	5,178
Finance Lease Liability - Term	5,726	2,000	8,639
	<u>11,693</u>	<u>7,000</u>	<u>13,817</u>

BIRCHVILLE SCHOOL

Notes to the Financial Statements For the year ended 31 December 2021

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:

	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

Represented by:

Funds Held on Behalf of the Ministry of Education	53,374
Funds Due from the Ministry of Education	(7,000)
	<u>46,374</u>

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Universal Bathroom	<i>Completed</i>	57,903	2,402	(60,305)	-	-
Admin Carpet Tiles	<i>Completed</i>	-	9,500	(9,500)	-	-
Fire Alarm Upgrade	<i>In progress</i>	-	95,274	(9,994)	-	85,280
Totals		57,903	107,176	(79,799)	-	85,280

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 2021

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.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,930	5,810
<i>Leadership Team</i>		
Remuneration	316,758	319,074
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	321,688	324,004

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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	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	2021 FTE Number	2020 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:

	2021 Actual \$	2020 Actual \$
Total	15,649	-
Number of People	1	-

BIRCHVILLE SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2021 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 \$94,535 had been spent on the project to balance date.

(b) a \$21,954 SIP entrance way project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$18,759 has been received of which \$14,159 had been spent on the project to balance date.

(c) 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 \$34,988 had been spent on the project to balance date.

(d) a \$15,300 electrical switchboard upgrade project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$12,590 has been received of which \$nil had been spent on the project to balance date.

(e) a \$185,564 classroom upgrade project as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$nil has been received of which \$7,000 had been spent on the project to balance date.

(Capital commitments at 31 December 2020: \$105,959 of which \$9,994 had been spent).

(b) Operating Commitments

As at 31 December 2021 the Board has no operating commitments (2020: nil).

21. 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
Financial assets measured at amortised cost			
	\$	\$	\$
Cash and Cash Equivalents	163,800	166,614	211,163
Receivables	70,357	50,500	85,203
Investments - Term Deposits	66,250	70,000	65,723
Total Financial assets measured at amortised cost	<u>300,407</u>	<u>287,114</u>	<u>362,089</u>
Financial liabilities measured at amortised cost			
Payables	81,122	72,800	77,896
Finance Leases	11,693	7,000	13,817
Total Financial Liabilities Measured at Amortised Cost	<u>92,815</u>	<u>79,800</u>	<u>91,713</u>

BIRCHVILLE SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2021

22. Events After Balance Date

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

BIRCHVILLE SCHOOL

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Brooke Douglas	Presiding Member	Re-elected May 2021	Police Dispatcher	June 2023
Robyn Brown	Principal	Appointed September 2017	Principal	
Joel Tait	Parent Rep	Re-elected May 2021	Rugby Coach	June 2023
Kevin Alkema	Parent Rep	Re-elected May 2021	Project Manager	June 2023
Amy-Leigh Nepia	Parent Rep	Re-elected May 2021	Housewife	June 2023
Jess Athukorala	Parent Rep	Re-elected May 2021	Teacher	June 2023
Jarod Summers	Staff Rep	Re-elected May 2021	Teacher	June 2023
Cameron Thayer	Parent Rep	Re-elected May 2021	Auditor	June 2023
Kelly Salter	Secretary		Office Manager	June 2023

BIRCHVILLE SCHOOL

Kiwisport Funding

For the year ended 31 December 2021

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

In 2021 the School received funding of \$1,993 (2020: \$2,197).

2021 Kiwisport Funding - How this funding was used by Birchville School

In term 4 we continued to use a local school pool (Maoribank School) to provide swimming instruction at a cost of \$500 for pool costs and \$2,161 for transport to and from the pool.

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

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF BIRCHVILLE SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at *31 December 2021*; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Standards Reduced Disclosure Regime.

Our audit was completed on 19 May 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 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 20 to 21, 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.

A handwritten signature in blue ink, appearing to read 'Geoff Potter', with a stylized flourish extending from the end.

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

Adopted by the Board of Trustees on 19 May 2022



Introduction


1. This Schedule of Delegations (the Schedule) was approved by the board of trustees (the Board) of Birchville School (the School) at its meeting on 19 May 2022 and became effective at this date. The Schedule sets out those responsibilities that can only be exercised by the Board, the responsibilities delegated to the chief executive (the principal), and those responsibilities that the principal can delegate to specified staff positions.
2. The purpose of the Schedule is to ensure that the effectiveness of the governance and management of the School is maintained, to provide an agreed basis by which the School's executive management can exercise its responsibilities, and to enable the responsibilities delegated to be monitored. It is the Board's expectation that delegations made will be properly exercised and the persons who hold such delegations will be held accountable. If these principles are observed then the Board can be certain its responsibilities in terms of the Education and Training Act 2020, the Crown Entities Act 2004 and the Financial Reporting Act 1993 will have been properly fulfilled.
3. If persons who exercise responsibilities on behalf of the Board have any doubts or concerns in the execution of a specific action, the expectation is that they will check with the person or group who made the delegation in the first place. The intention of this expectation is that, should doubt arise in the exercise of a delegated responsibility, it is preferable to verify the bona fides of the intended action rather than make an error of judgement and be held accountable for this.
4. This Schedule does not in itself provide the right to executive management and staff to exercise the responsibilities delegated. The right to exercise these responsibilities must be set out in a memorandum of delegations which sets out the delegations and is signed by the parties involved. An outline example is set out at the end of this Schedule.
5. The principal shall ensure that a copy of each memorandum is safely retained and shall be made available to the Board, the school's auditors and officers of any Court hearing a case related to the School's finances.

Approval

1. This Schedule was unanimously agreed by the Board and approved as a policy document at its meeting held on 19 May 2022.
2. When the Board approved this Schedule, it agreed that no variations of this Schedule or amendments to it can be made except by the majority approval of those members present at the Board meeting.
3. As part of its approval, the Board requires the principal to circulate this Schedule to all staff and for a copy to be included in the School policy manual (copies of which shall be available to all staff). The Board requests that the principal arrange for all new staff to be made familiar with this policy and other policies approved by the Board.

Signed

Presiding Member


Jessica Athukorala

On behalf of, and with the authority of, the Board on 19/05/22

Delegations retained by the Board

1. The Board retains for itself and does not delegate to any executive management or staff position the following responsibilities:
 - Approval of all operating, capital, cashflow and property maintenance budgets, and amendments to these budgets.
 - Commitment of operating expenditure for any invoice in excess of \$2,500.
 - The commitment or purchase of capital expenditure.
 - The disposal of fixed assets with a cost price in excess of \$1,000.
 - The transfer of money between any Board cheque and term deposit account in excess of \$5,000 and for a period longer than 12 months.
 - The appointment of any permanent staff and the salary and terms of conditions on which they are employed which are in excess of positions funded by Ministry of Education salaries grants.
 - Leave on full pay granted to non-teaching staff to attend training sessions or courses outside the school for a period greater than 4 half-days per term.
 - The termination of employment of any paid employee.
 - Signing applications for special grants for additional buildings, and agreements to build via the Ministry of Education's local office.
 - Formal communication and agreements with the Minister of Education and any other Minister of the Crown or Member of Parliament.
 - Responses to the Secretary for Education or any other permanent head of a Government department which was initiated by a report, written communication, request for information or required declaration received from such persons and addressed to the Board or Presiding Member
 - Interviews with the media and the distribution of media releases on any matter which involves the School.
 - The initiation of any legal actions and any communications in relation to these actions.
 - Signature of any formal or legal agreement which is in the name of the School and must involve the Board.

Note: These responsibilities are in addition to those specified in Acts and regulations by which the Board is bound.

Board delegations to the principal

2. The Board delegates to the principal the responsibilities listed below:
 - The day-to-day curriculum and resource management of the school and the achievement of the Government's key achievement areas and requirements as specified in official educational policy documents.
 - The implementation of any other requirements specified by Act of Parliament, the Secretary for Education, any other permanent head of a Government department and for individual and collective employment contracts.
 - Approval of any orders for goods and services up to the value of \$2,500 and provided such an order will not exceed the Board approved budget allocation for the expenditure item involved.
 - Transfers to at-call deposits of amounts less than \$5,000 and for periods less than 12 months.
 - Ordering fixed assets for which the capital expenditure has the prior approval of the Board.
 - The appointment of relieving and casual staff provided such appointment is within the budget allocation for this particular person and provided this delegation is not given to any other staff member.
 - Communication with parents, officials, representatives of educational organisations and other firms and organisations with whom the principal deals as part of their curriculum and resource management responsibilities.
 - Delegation in writing to specified staff positions of responsibilities according to the format set out below.

