

# **MACANDREW BAY SCHOOL**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

Macandrew Bay School

Simply the Best for our Children

# MACANDREW BAY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

**Ministry Number:** 3762

**Principal:** Bernadette Newlands

**School Address:** 488 Portobello Road, Macandrew Bay, Dunedin 9014

**School Postal Address:** 488 Portobello Road, Macandrew Bay, Dunedin 9014

**School Phone:** 03 476 1004

**School Email:** admin@macandrewbay.school.nz

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Jason Walker	Presiding Member	Elected	June 2022
Bernadette Newlands	Principal ex Officio	ex Officio	
Nik Devlin	Parent Representative	Co-opted	June 2022
Caroline Rowe	Parent Representative	Elected	June 2022
Leigh Carter	Parent Representative	Co-opted	June 2022
Christine Ward	Staff Representative	Co-opted	June 2022

**Accountant / Service Provider:**

The  
**SchoolOffice**  
Accounting & Finance

**Auditor:**

# MACANDREW BAY SCHOOL

Annual Report - For the year ended 31 December 2021

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# Macandrew Bay School

## Statement of Responsibility

For the year ended 31 December 2021

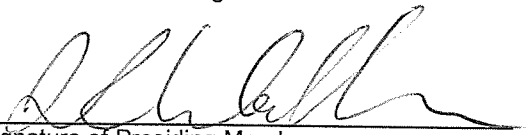
The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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.

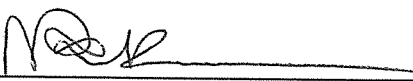
The School's 2021 financial statements are authorised for issue by the Board.

JASON ROBERT WALKER  
Full Name of Presiding Member

  
Signature of Presiding Member

6 July 2022  
Date:

Nicola Linda Brown  
Full Name of Principal

  
Signature of Principal

6 July 2022  
Date:

# Macandrew Bay School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	1,442,509	1,389,808	1,433,999
Locally Raised Funds	3	74,194	79,250	61,955
Interest Income		167	500	505
		1,516,870	1,469,558	1,496,459
<b>Expenses</b>				
Locally Raised Funds	3	29,606	32,400	28,110
Learning Resources	4	1,096,608	979,400	1,025,199
Administration	5	71,691	83,450	86,406
Finance		531	100	658
Property	6	319,342	354,156	365,425
Depreciation	10	47,804	34,000	36,853
Loss on Disposal of Property, Plant and Equipment		48	-	864
		1,565,630	1,483,506	1,543,515
<b>Net Surplus / (Deficit) for the year</b>		(48,760)	(13,948)	(47,056)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(48,760)	(13,948)	(47,056)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

# Macandrew Bay School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		281,854	281,854	322,981
Total comprehensive revenue and expense for the year		(48,760)	(13,948)	(47,056)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	5,929
Contribution - MOE Foyer & Boiler Flood		4,913	-	-
Distribution - Dental Clinic Project		(6,833)	-	-
Distribution - Special Needs Project		(2,517)	-	-
<b>Equity at 31 December</b>		228,657	267,906	281,854

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.

# Macandrew Bay School

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	498,098	66,394	88,691
Accounts Receivable	8	77,587	68,786	68,786
Prepayments		5,734	5,296	5,296
Inventories	9	1,423	3,219	3,219
		582,842	143,695	165,992
<b>Current Liabilities</b>				
GST Payable		51,846	11,548	11,548
Accounts Payable	11	196,081	79,111	79,111
Provision for Cyclical Maintenance	12	2,727	-	-
Finance Lease Liability	13	2,778	2,346	3,364
Funds held for Capital Works Projects	14	255,475	-	7,700
		508,907	93,005	101,723
<b>Working Capital Surplus/(Deficit)</b>		73,935	50,690	64,269
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	209,912	230,320	231,639
		209,912	230,320	231,639
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	53,333	11,967	11,967
Finance Lease Liability	13	1,857	1,137	2,087
		55,190	13,104	14,054
<b>Net Assets</b>		228,657	267,906	281,854
<b>Equity</b>		228,657	267,906	281,854

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

# Macandrew Bay School

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		307,353	283,352	323,370
Locally Raised Funds		79,967	73,996	56,701
Goods and Services Tax (net)		40,298	14,823	14,823
Payments to Employees		(188,993)	(174,623)	(231,976)
Payments to Suppliers		(45,251)	(218,277)	(167,420)
Interest Paid		1,769	(100)	(658)
Interest Received		167	500	505
Net cash from/(to) Operating Activities		195,310	(20,329)	(4,655)
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		48	-	
Purchase of Property Plant & Equipment (and Intangibles)		(32,910)	-	(126)
Net cash from/(to) Investing Activities		(32,862)	-	(126)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	5,929
Finance Lease Payments		(816)	(1,968)	(5,081)
Funds Administered on Behalf of Third Parties		247,775	-	(9,528)
Net cash from/(to) Financing Activities		246,959	(1,968)	(8,680)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>409,407</b>	<b>(22,297)</b>	<b>(13,461)</b>
Cash and cash equivalents at the beginning of the year	7	88,691	88,691	102,152
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>498,098</b>	<b>66,394</b>	<b>88,691</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



# Macandrew Bay School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

###### *Financial Reporting Standards Applied*

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

###### *PBE Accounting Standards Reduced Disclosure Regime*

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

###### *Critical Accounting Estimates And Assumptions*

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

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

###### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

###### *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.

**Critical Judgements in applying accounting policies**

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

**Classification of leases**

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

**Recognition of grants**

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

**c) Revenue Recognition****Government Grants**

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

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

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

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

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

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Operating Lease Payments**

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

**e) Finance Lease Payments**

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

**f) Cash and Cash Equivalents**

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

**g) Accounts Receivable**

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

#### **h) Inventories**

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

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

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
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. 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.

#### **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.

**l) Employee Entitlements***Short-term employee entitlements*

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

*Long-term employee entitlements*

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

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

**m) Provision for Cyclical Maintenance**

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

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

**n) Financial Instruments**

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

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

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

**o) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**p) 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.

**q) Budget Figures**

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

**r) Services received in-kind**

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

## 2. Government Grants

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	263,878	251,352	265,581
Teachers' Salaries Grants	933,597	830,000	834,173
Use of Land and Buildings Grants	201,559	276,456	276,456
Other MoE Grants	43,475	29,000	49,541
Other Government Grants	-	3,000	8,248
	<u>1,442,509</u>	<u>1,389,808</u>	<u>1,433,999</u>

## 3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	42,644	34,900	22,190
Curriculum related Activities - Purchase of goods and services	21,459	25,250	21,943
Trading	5,120	5,500	5,339
Fundraising & Community Grants	1,964	9,500	9,047
Other Revenue	3,007	4,100	3,436
	<u>74,194</u>	<u>79,250</u>	<u>61,955</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	18,375	20,700	17,776
Trading	6,647	5,000	4,468
Fundraising and Community Grant Costs	4,584	6,700	5,866
	<u>29,606</u>	<u>32,400</u>	<u>28,110</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>44,588</u>	<u>46,850</u>	<u>33,845</u>

## 4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	20,946	21,500	16,673
Library Resources	304	3,500	2,649
Employee Benefits - Salaries	1,066,862	945,700	1,000,117
Staff Development	8,496	8,700	5,760
	<u>1,096,608</u>	<u>979,400</u>	<u>1,025,199</u>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,335	3,300	3,468
Board Expenses	1,903	500	-
Communication	1,569	1,500	1,743
Consumables	6,175	12,500	13,100
Operating Lease	(1,958)	3,500	2,354
Other	11,107	9,150	10,910
Employee Benefits - Salaries	39,732	46,000	48,355
Insurance	4,304	3,000	2,757
Service Providers, Contractors and Consultancy	4,524	4,000	3,719
	<u>71,691</u>	<u>83,450</u>	<u>86,406</u>

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	29,545	28,200	33,964
Cyclical Maintenance Provision	44,093	4,000	3,989
Grounds	6,741	2,600	2,624
Heat, Light and Water	13,911	14,200	14,031
Rates	4,635	3,500	4,424
Repairs and Maintenance	2,341	8,200	8,183
Use of Land and Buildings	201,559	276,456	276,456
Employee Benefits - Salaries	16,517	17,000	21,754
	<u>319,342</u>	<u>354,156</u>	<u>365,425</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	498,098	66,394	88,691
Cash and cash equivalents for Statement of Cash Flows	<u>498,098</u>	<u>66,394</u>	<u>88,691</u>

Of the \$498,098 Cash and Cash Equivalents, \$255,475 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

## 8. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	400	6,173	6,173
Teacher Salaries Grant Receivable	77,187	62,613	62,613
	<u>77,587</u>	<u>68,786</u>	<u>68,786</u>
Receivables from Exchange Transactions	400	6,173	6,173
Receivables from Non-Exchange Transactions	77,187	62,613	62,613
	<u>77,587</u>	<u>68,786</u>	<u>68,786</u>

## 9. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Stationery	69	3,219	3,219
School Uniforms	1,354	-	-
	<u>1,423</u>	<u>3,219</u>	<u>3,219</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements - Crown	97,660	2,478	-	-	(12,440)	87,698
Furniture and Equipment	78,474	6,933	-	-	(13,598)	71,809
Information and Communication T	18,886	6,134	-	-	(8,756)	16,264
Leased Assets	7,588	5,630	-	-	(8,768)	4,450
Library Resources	29,031	4,951	(49)	-	(4,242)	29,691
<b>Balance at 31 December 2021</b>	<u>231,639</u>	<u>26,126</u>	<u>(49)</u>	<u>-</u>	<u>(47,804)</u>	<u>209,912</u>

The net carrying value of equipment held under a finance lease is \$4,450 (2020: \$7,588)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements - Crown	257,769	(170,071)	87,698	255,291	(157,631)	97,660
Furniture and Equipment	240,502	(168,693)	71,809	233,569	(155,095)	78,474
Information and Communication T	96,032	(79,767)	16,265	89,897	(71,011)	18,886
Leased Assets	13,346	(8,897)	4,449	52,121	(44,533)	7,588
Library Resources	77,941	(48,250)	29,691	73,111	(44,080)	29,031
<b>Balance at 31 December</b>	<u>685,590</u>	<u>(475,678)</u>	<u>209,912</u>	<u>703,989</u>	<u>(472,350)</u>	<u>231,639</u>

# 11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	109,960	8,952	8,952
Accruals	4,335	3,468	3,468
Employee Entitlements - Salaries	77,881	62,613	62,613
Employee Entitlements - Leave Accrual	3,905	4,078	4,078
	<u>196,081</u>	<u>79,111</u>	<u>79,111</u>
Payables for Exchange Transactions	196,081	79,111	79,111
	<u>196,081</u>	<u>79,111</u>	<u>79,111</u>

The carrying value of payables approximates their fair value.

# 12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	11,967	11,967	7,978
Increase/ (decrease) to the Provision During the Year	11,681	4,000	3,989
Adjustment to the Provision	32,412		-
Provision at the End of the Year	<u>56,060</u>	<u>15,967</u>	<u>11,967</u>
Cyclical Maintenance - Current	2,727	-	-
Cyclical Maintenance - Term	53,333	11,967	11,967
	<u>56,060</u>	<u>11,967</u>	<u>11,967</u>

# 13. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	3,052	2,346	3,759
Later than One Year and no Later than Five Years	1,970	1,137	2,221
Future Finance Charges	(387)	-	(529)
	<u>4,635</u>	<u>3,483</u>	<u>5,451</u>
Represented by			
Finance lease liability - Current	2,778	2,346	3,364
Finance lease liability - Term	1,857	1,137	2,087
	<u>4,635</u>	<u>3,483</u>	<u>5,451</u>



#### 14. 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 Contributions	Closing Balances
	\$	\$	\$	\$	\$
Foyer and Boiler Flood	4,913	-	-	(4,913)	-
Special Needs	(2,517)	-	-	2,517	-
Roof Leak	2,036	-	-	-	2,036
Junior Block	10,101	718,240	(474,902)	-	253,439
Dental Clinic	(6,833)	-	-	6,833	-
Totals	7,700	718,240	(474,902)	4,437	255,475

#### Represented by:

Funds Held on Behalf of the Ministry of Education	255,475
Funds Due from the Ministry of Education	-
	<u>255,475</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Foyer and Boiler Flood	5,950	5,839	(6,876)	-	4,913
Special Needs	(11,333)	16,182	(7,366)	-	(2,517)
Re-clad and Exterior Paint	22,611	-	(22,611)	-	-
Roof Leak	-	2,876	(840)	-	2,036
Junior Block	-	21,411	(11,310)	-	10,101
Dental Clinic	-	-	(6,833)	-	(6,833)
Totals	17,228	46,308	(55,836)	-	7,700

#### 15. 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.

## 16. Remuneration

### *Key management personnel compensation*

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	-	-
<i>Leadership Team</i>		
Remuneration	336,051	321,057
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	336,051	321,057

There are 5 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### *Principal*

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	130-140
Benefits and Other Emoluments	3-4	2-3
Termination Benefits	-	-

### *Other Employees*

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 -110	1.00	0.00
	1.00	0.00

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

## 17. Compensation and Other Benefits Upon Leaving

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

	2021 Actual \$0	2020 Actual \$0
Total	Nil	Nil
Number of People		

## 18. 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.

## 19. Commitments

### (a) Capital Commitments

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

(a) MOE Capital works contracts as disclosed in Note 14 - Foyer and Boiler Flood for which \$43,185 was received and \$43,185 spent; Roof Leak repair for which \$2,876 has been received to date and \$840 spent; Junior Block refurbishment for which \$739,652 has been received and \$486,212 spent to date; Special Needs project for which \$163,305 has been received and \$163,305 spent; Dental Clinic for which \$6,833 has been spent.

### (b) Operating Commitments

As at 31 December 2021 the Board has entered into no operating commitments.

## 20. Financial Instruments

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

### Financial assets measured at amortised cost

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	498,098	66,394	88,691
Receivables	77,587	68,786	68,786
Total Financial assets measured at amortised cost	575,685	135,180	157,477

### Financial liabilities measured at amortised cost

Payables	196,082	79,111	79,111
Finance Leases	4,635	3,483	5,451
Total Financial Liabilities Measured at Amortised Cost	200,717	82,594	84,562

## **21. Events After Balance Date**

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

## **22. Comparatives**

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

## **23. COVID 19 Pandemic on going implications**

### **Impact of Covid-19**

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

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

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

### **Impact on operations**

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

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

### **Reduction in locally raised funds**

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

### **Increased Remote learning additional costs**

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

# Macandrew Bay School

## Kiwisport Statement

For the year ended 31 December 2021

### Use of Kiwisport Funding in 2021

Kiwisport is a Government funding initiative to support students' participation in organized sport.

In 2021 the school received \$2,484.16(excluding GST).

The funding was spent on operating our school pool to enable our students to all learn swimming in Term 1 for 6-7 weeks of the year. We also spent approx \$1000 on pool chemicals and also had to pay our caretaker to be in charge of the pool, working with voluntary helpers, and ensuring its smooth running over the summer season. We probably pay approx. \$2000 in labour costs for the pool. As a result of us running the pool over the summer and in most of Term 1 our children make good progress with their swimming. This is so important when we live near the harbour.

We also take our Yr 6 students to Camp where they get to experience many challenging physical activities and it is great for building their confidence to take on physical activity. We spend some of our own money for the teachers' expenses and allowances to go to Camp each year.

We paid for our students to compete in the Dunedin Triathlon in Term 1 but many of the extra sporting interschool events we would usually do each year have been cancelled due to Covid , including all our inter-school athletics and Cross country events.

We have brought coaches into the school in 2020 in cricket, but usually we would have had coaches from many more sporting codes but Covid 19 impacted our ability to do this as much as usual.

We have large numbers of students representing the school in a variety of sports:

Rippa rugby

Touch rugby

Futsal- (80-90 children)

Netball

Hockey

Sport Otago Triathlon

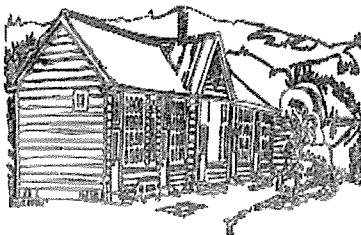
Once again Covid 19 reduced the number of games for some age groups but the children still really enjoyed being involved. We ask parents to pay for after school optional sports but the school pays for the activities in school time and we also have to cover unpaid sports fees.

We have bought sports equipment as we have needed it throughout the year and our Kiwisport money has helped us with this. This includes replacing and maintaining our stocks of sports equipment. We have also had to pay \$330 a day for relievers when we have needed to send staff to events such as Sport Otago Dunedin Triathlon event etc and this has allowed us to support our students and

Bernadette Newlands

Principal

Macandrew Bay School



6 July 2022

Heidi Rautjoki  
Deloitte Limited  
PO Box 1245  
Dunedin, 9054

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2021

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Macandrew Bay School (the School) for the year ended 31 December 2021 for the purpose of expressing an independent opinion about whether the financial statements:

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

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

### General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

### **Representations for the financial statements**

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2021; and
    - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and

- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and

### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2021. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

### ***Publication of the financial statements and related audit report on a website***

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

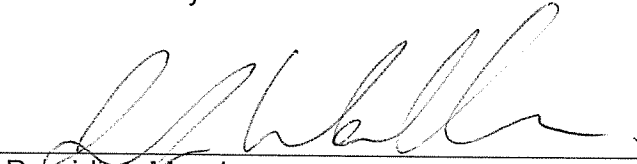
- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.



- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



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Presiding Member



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Principal