

PONSONBY INTERMEDIATE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number	1445
Principal	Mr Nick Wilson
School Address	50 Clarence Street Ponsonby, Auckland
School Postal Address	50 Clarence Street Ponsonby, Auckland
School Phone	(09) 376-0096
School E-mail Address	office@ponsint.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires
Nick Wilson	Principal	Ex officio	Principal	
Andy Wilson	Staff Representative	Elected	Teacher	June 2022
Carla Hood	Chairperson	Elected	Financial Controller	June 2022
Paul Marsick	Parent Representative	Elected	General Manager	June 2022
David Marriott	Parent Representative	Elected	Barrister	June 2022
Fiona Mogridge	Parent Representative	Elected	Talent Development Lead	June 2022
Catherine Wenzel	Parent Representative	Elected	Business Owner	June 2022

Accountant/Service Provider	The Practice Consultants Ltd
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PONSONBY INTERMEDIATE SCHOOL
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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PONSONBY INTERMEDIATE SCHOOL

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees 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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

CRS Head

Full Name of Board Chairperson

Carl P. Hood

Signature of Board Chairperson

26/11/21

Date:

Nick Wilson

Full Name of Principal

N. Wilson

Signature of Principal

26.11.21

Date:

PONSONBY INTERMEDIATE SCHOOL

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	\$
Revenue				
Government Grants	2	6,342,758	6,050,500	5,843,118
Locally Raised Funds	3	498,637	322,000	556,451
International Students	4	141,569	120,000	223,183
Interest Earned		15,060	15,000	27,496
		<u>6,998,024</u>	<u>6,507,500</u>	<u>6,650,248</u>
Expenses				
Locally Raised Funds	3	226,495	54,500	273,730
International Students	4	22,329	20,500	22,546
Learning Resources	5	2,881,515	2,877,600	2,841,764
Administration	6	291,420	318,150	319,143
Finance	7	2,292	-	2,720
Property	8	3,377,731	3,082,516	2,917,496
Impairment of Property, Plant and Equipment		110,086	-	-
Depreciation	9	<u>176,166</u>	<u>105,000</u>	<u>167,792</u>
		<u>7,088,034</u>	<u>6,458,266</u>	<u>6,545,191</u>
Net Surplus/(Deficit) for the year		<u>(90,010)</u>	<u>49,234</u>	<u>105,057</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>\$ (90,010)</u>	<u>\$ 49,234</u>	<u>\$ 105,057</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.

PONSONBY INTERMEDIATE SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January	1,319,628	1,319,628	1,214,571
Total Comprehensive Revenue and Expense for the Year	(90,010)	49,234	105,057
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	13,359	-	-
Equity at 31 December	<u>\$ 1,242,977</u>	<u>\$ 1,368,862</u>	<u>\$ 1,319,628</u>
Retained Earnings	1,242,977	1,368,862	1,319,628
Reserves	-	-	-
Equity at 31 December	<u>\$ 1,242,977</u>	<u>\$ 1,368,862</u>	<u>\$ 1,319,628</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.

PONSONBY INTERMEDIATE SCHOOL

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	10	179,517	75,243	364,497
Accounts Receivable	11	202,958	163,928	169,621
GST Receivable		35,038	3,897	36,688
Prepayments		27,043	22,190	22,190
Inventories	12	41,219	44,042	44,042
Investments	13	724,894	560,145	460,145
Funds due from the Ministry of Education	17	-	-	12,535
		<u>1,210,669</u>	<u>869,445</u>	<u>1,109,718</u>
Current Liabilities				
Accounts Payable	15	354,706	231,378	370,416
Revenue Received in Advance	16	31,452	80,235	80,235
Funds held for Capital Works Projects	17	169,370	-	-
Provision for Cyclical Maintenance	18	29,908	-	11,500
Finance Lease Liability - Current Portion	19	15,159	14,828	14,828
		<u>600,595</u>	<u>326,441</u>	<u>476,979</u>
Working Capital Surplus/(Deficit)		<u>610,074</u>	<u>543,004</u>	<u>632,739</u>
Non Current Assets				
Property, Plant and Equipment	14	709,726	895,281	561,461
Capital Works in Progress		-	-	173,820
		<u>709,726</u>	<u>895,281</u>	<u>735,281</u>
Non Current Liabilities				
Provision for Cyclical Maintenance	18	69,271	59,695	32,179
Finance Lease Liability	19	7,552	9,728	16,213
		<u>76,823</u>	<u>69,423</u>	<u>48,392</u>
Net Assets		<u>\$ 1,242,977</u>	<u>\$ 1,368,862</u>	<u>\$ 1,319,628</u>
Equity		<u>\$ 1,242,977</u>	<u>\$ 1,368,862</u>	<u>\$ 1,319,628</u>

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

PONSONBY INTERMEDIATE SCHOOL

Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash Flows from Operating Activities				
Government Grants		921,187	708,534	826,351
Locally Raised Funds		498,637	322,000	557,611
International Students		92,786	120,000	228,022
Goods and Services Tax (net)		(9,878)	32,791	(20,437)
Payments to Employees		(473,047)	(370,000)	(456,386)
Payments to Suppliers		(749,222)	(650,057)	(850,386)
Cyclical Maintenance Payments		(49,777)	(11,500)	-
Interest Paid		(2,292)	-	(2,720)
Interest Received		15,718	15,000	31,613
Net Cash from/(to) the Operating Activities		244,112	166,768	313,668
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment		(333,140)	(362,072)	(221,543)
Purchase of Investments		(724,894)	(560,145)	(460,145)
Proceeds from Sale of Investments		460,145	460,145	700,206
Net Cash from/(to) the Investing Activities		(597,889)	(462,072)	18,518
Cash Flows from Financing Activities				
Finance Lease Payments		(6,625)	(6,485)	(6,923)
Furniture and Equipment Grant		13,359	-	-
Funds Held for Capital Works Projects		162,063	12,535	(108,350)
Net Cash from/(to) the Financing Activities		168,797	6,050	(115,273)
Net Increase/(Decrease) in Cash and Cash Equivalents		(184,980)	(289,254)	216,913
Cash and Cash Equivalents at the Beginning of the Year	10	364,497	364,497	147,584
Cash and Cash Equivalents at the End of the Year	10	<u>\$ 179,517</u>	<u>\$ 75,243</u>	<u>\$ 364,497</u>

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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2020

a) Reporting Entity

Ponsonby Intermediate School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 2020. The Board of Trustees (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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance 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 Act 1989 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

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 the 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 18.

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 14.

Critical Judgements in Applying Accounting Policies

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

Classification of leases

Determining whether a 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

c) Revenue Recognition

Government Grants Schools

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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

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) 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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) Inventories

Inventories are consumable items held for sale and comprise of 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.

j) 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.

k) 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.

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 leased 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

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:

Furniture and fittings	5 - 10 years
Teaching equipment	3 - 8 years
Technical equipment	3 - 10 years
Office equipment	5 years
Plant and machinery	5 years
Building improvements	40 years
Motor vehicles	5 years
Leased assets held under a finance lease	3 - 5 years
Library books	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

Ponsonby Intermediate 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

n) 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.

o) 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, but not yet taken at balance date.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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 in relation to international students, should the School be unable to provide the services to which they relate.

q) 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).

r) Financial Assets and Liabilities

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

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

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

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

s) 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, Inland Revenue, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) 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.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

2 Government Grants

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operational grants	805,313	725,500	737,192
Resource teachers learning and behaviour grants	41,290	25,000	57,265
Teachers' salaries grants	2,414,528	2,500,000	2,366,656
Use of land and buildings grants	2,998,321	2,800,000	2,641,097
Other MoE grants	83,306	-	40,908
	<u>\$ 6,342,758</u>	<u>\$ 6,050,500</u>	<u>\$ 5,843,118</u>

Other MoE grants total includes additional COVID-19 funding totalling \$67,653 for the year ended 31 December 2020.

3 Locally Raised Funds

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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
<i>Revenue</i>			
Donations	243,792	252,000	267,677
Trading	39,848	40,000	41,363
Activities	214,341	24,000	231,025
Fundraising	656	6,000	16,386
	<u>498,637</u>	<u>322,000</u>	<u>556,451</u>
<i>Expenses</i>			
Trading	32,543	33,000	32,680
Activities	193,952	21,500	239,400
Fundraising costs	-	-	1,650
	<u>226,495</u>	<u>54,500</u>	<u>273,730</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>\$ 272,142</u>	<u>\$ 267,500</u>	<u>\$ 282,721</u>

4 International Students Revenue and Expenses

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	Number	Number	Number
International student roll	12	10	11
	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
<i>Revenue</i>			
International student fees	141,569	120,000	223,183
<i>Expenses</i>			
Commissions	14,665	10,000	14,792
Insurance	2,439	3,500	3,903
International student levy	5,160	3,000	2,370
Marketing fees	65	4,000	1,481
Employee benefits - salaries	-	-	-
	<u>22,329</u>	<u>20,500</u>	<u>22,546</u>
<i>Surplus/(Deficit) for the year International Students</i>	<u>\$ 119,240</u>	<u>\$ 99,500</u>	<u>\$ 200,637</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

5 Learning Resources

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Curricular	116,288	177,600	146,611
Equipment repairs	10,696	7,500	10,934
Staff development	19,910	34,500	19,437
Employee benefits - salaries	2,734,621	2,658,000	2,664,782
	<u>\$ 2,881,515</u>	<u>\$ 2,877,600</u>	<u>\$ 2,841,764</u>

6 Administration

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
ACC premiums	9,284	1,100	8,812
Advertising	5,154	9,000	7,039
Audit fees	9,233	9,250	8,964
Board of Trustees fees	3,130	3,300	2,505
Board of Trustees expenses	5,494	4,900	16,062
Communication	13,823	16,000	17,508
Consumables	31,215	38,050	33,824
Insurance	19,545	19,000	17,129
Operating lease	3,018	12,800	3,564
Other	26,388	25,750	39,927
Service providers, contractors and consultancy	20,971	14,500	16,546
Employee benefits - salaries	144,165	164,500	147,263
	<u>\$ 291,420</u>	<u>\$ 318,150</u>	<u>\$ 319,143</u>

7 Finance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Finance costs	2,292	-	2,720
	<u>\$ 2,292</u>	<u>\$ -</u>	<u>\$ 2,720</u>

8 Property

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Caretaking and cleaning consumables	76,674	73,400	71,006
Cyclical maintenance provision	105,277	27,516	4,964
Grounds	27,133	28,500	27,490
Heat, light and water	35,832	38,000	38,960
Repairs and maintenance	88,303	67,600	82,285
Use of land and buildings	2,998,321	2,800,000	2,641,097
Employee benefits - salaries	46,191	47,500	51,694
	<u>\$ 3,377,731</u>	<u>\$ 3,082,516</u>	<u>\$ 2,917,496</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

8 Property (cont'd)

The use of land and buildings figure represents 8% 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.

9 Depreciation of Property, Plant and Equipment

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Building improvements	10,110	2,000	2,812
Furniture and equipment	80,516	48,000	80,053
Information and communication	80,100	47,500	74,023
Motor vehicles	-	2,000	2,209
Library resources	5,440	5,500	8,695
	<u>\$ 176,166</u>	<u>\$ 105,000</u>	<u>\$ 167,792</u>

10 Cash and Cash Equivalents

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cheque account	79,803	75,243	60,756
Cheque account	2,836	-	300,351
Savings account	96,304	-	-
Savings account	574	-	3,390
	<u>\$ 179,517</u>	<u>\$ 75,243</u>	<u>\$ 364,497</u>

Of the \$179,517 Cash and Cash Equivalents, \$169,370 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

11 Accounts Receivable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Receivables	-	-	5,693
Interest receivable	3,272	3,930	3,930
Teachers salaries grant receivable	199,686	159,998	159,998
	<u>\$ 202,958</u>	<u>\$ 163,928</u>	<u>\$ 169,621</u>
Receivables from exchange transactions	-	-	5,693
Receivables from non-exchange transactions	202,958	163,928	163,928
	<u>\$ 202,958</u>	<u>\$ 163,928</u>	<u>\$ 169,621</u>

12 Inventories

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Uniforms	41,219	44,042	44,042
	<u>\$ 41,219</u>	<u>\$ 44,042</u>	<u>\$ 44,042</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

13 Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current asset			
Short-term bank deposits	724,894	560,145	460,145
	<u>\$ 724,894</u>	<u>\$ 560,145</u>	<u>\$ 460,145</u>

14 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Impairment Loss \$	Depreciation \$	Total (NBV) \$
2020					
Building improvements	61,192	350,273	-	(10,110)	401,355
Furniture and equipment	327,880	16,436	(104,107)	(80,516)	159,693
Information and communication	132,173	62,137	(5,979)	(80,100)	108,231
Motor vehicles	-	-	-	-	-
Library resources	40,216	5,671	-	(5,440)	40,447
Balance at 31 December 2020	<u>\$ 561,461</u>	<u>\$ 434,517</u>	<u>\$ (110,086)</u>	<u>\$ (176,166)</u>	<u>\$ 709,726</u>

The impairment loss is due to a fire at the School on 9 December 2020 which destroyed a classroom block. The School was closed as a result of the fire for the rest of the 2020 school year. However the School has resumed as normal in 2021 under the COVID restrictions.

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Building improvements	462,753	(61,398)	401,355
Furniture and equipment	557,043	(397,350)	159,693
Information and communication	647,708	(539,477)	108,231
Motor vehicles	52,512	(52,512)	-
Library resources	130,871	(90,424)	40,447
Balance at 31 December 2020	<u>\$ 1,850,887</u>	<u>\$ (1,141,161)</u>	<u>\$ 709,726</u>

The net carrying value of equipment held under a finance lease is \$21,133 (2019: \$29,656).

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
2019					
Building improvements	64,004	-	-	(2,812)	61,192
Furniture and equipment	353,311	54,622	-	(80,053)	327,880
Information and communication	107,108	99,088	-	(74,023)	132,173
Motor vehicles	2,209	-	-	(2,209)	-
Library resources	41,686	7,225	-	(8,695)	40,216
Balance at 31 December 2019	<u>\$ 568,318</u>	<u>\$ 160,935</u>	<u>\$ -</u>	<u>\$ (167,792)</u>	<u>\$ 561,461</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building improvements	112,480	(51,288)	61,192
Furniture and equipment	887,912	(560,032)	327,880
Information and communication	667,560	(535,387)	132,173
Motor vehicles	52,512	(52,512)	-
Library resources	125,200	(84,984)	40,216
Balance at 31 December 2019	<u>\$ 1,845,664</u>	<u>\$ (1,284,203)</u>	<u>\$ 561,461</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

15 Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	38,996	40,983	138,055
Accruals	14,681	14,399	14,399
Employee entitlements - leave accrual	20,751	15,998	15,998
Employee entitlements - salaries	199,686	159,998	159,998
Banking staffing overuse	80,592	-	41,966
	<u>\$ 354,706</u>	<u>\$ 231,378</u>	<u>\$ 370,416</u>
Payables for exchange transactions	354,706	231,378	370,416
Payables for non-exchange transactions	-	-	-
	<u>\$ 354,706</u>	<u>\$ 231,378</u>	<u>\$ 370,416</u>

The carrying value of payables approximates their fair value.

16 Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International student fees	31,452	80,235	80,235
	<u>\$ 31,452</u>	<u>\$ 80,235</u>	<u>\$ 80,235</u>

17 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:

		Opening	Receipts	Payments	BOT	Closing
		Balances	from MoE		Contribution	Balances
		\$	\$	\$	\$	\$
2020						
Classroom upgrades	<i>completed</i>	(12,535)	-	(7,307)	19,842	-
SIP projects	<i>in progress</i>	-	340,767	(171,397)	-	169,370
Totals		<u>\$ (12,535)</u>	<u>\$ 340,767</u>	<u>\$ (178,704)</u>	<u>\$ 19,842</u>	<u>\$ 169,370</u>

Represented by:

Funds held on behalf of the Ministry of Education	169,370
	<u>\$ 169,370</u>

		Opening	Receipts	Payments	Closing
		Balances	from MoE		Balances
		\$	\$	\$	\$
2019					
Classroom upgrades	<i>in progress</i>	100,827	110,000	(223,362)	(12,535)
Totals		<u>\$ 100,827</u>	<u>\$ 110,000</u>	<u>\$ (223,362)</u>	<u>\$ (12,535)</u>

Represented by:

Funds due from the Ministry of Education	(12,535)
	<u>\$ (12,535)</u>

18 Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the start of the year	43,679	43,679	38,715
Increase/(decrease) to the provision during the year	105,277	27,516	4,964
Use of the provision during the year	(49,777)	(11,500)	-
Provision at the end of the year	<u>\$ 99,179</u>	<u>\$ 59,695</u>	<u>\$ 43,679</u>

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

18 Provision for Cyclical Maintenance (cont'd)

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cyclical maintenance - current	29,908	-	11,500
Cyclical maintenance - term	69,271	59,695	32,179
	<u>\$ 99,179</u>	<u>\$ 59,695</u>	<u>\$ 43,679</u>

19 Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No later than one year	15,159	14,828	14,828
Later than one year and no later than five years	7,552	9,728	16,213
	<u>\$ 22,711</u>	<u>\$ 24,556</u>	<u>\$ 31,041</u>

20 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 conditions 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 normal terms and conditions for such transactions.

21 Remuneration

Key management personnel compensation

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

	2020	2019
	Actual	Actual
	\$	\$
<i>Board members</i>		
Remuneration	3,130	2,505
Full-time equivalent members	0.16	0.13
<i>Leadership team</i>		
Remuneration	1,025,813	649,083
Full-time equivalent members	10.00	5.80
Total key management personnel remuneration	<u>1,028,943</u>	<u>651,588</u>
Total full-time equivalent personnel	<u>10.16</u>	<u>5.93</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

21 Remuneration (cont'd)

Principal

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

	2020 Actual	2019 Actual
Salaries and other short-term employee benefits:	\$000	\$000
Salary and other payments	140-150	140-150
Benefits and other emoluments	4-5	3-4
Termination benefits	-	-

Other employees

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

Remuneration \$000	2020 Number	2019 Number
100-110	3	1

The disclosure for "other employees" does not include remuneration of the Principal.

22 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 members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was payable was as follows:

	2020 Actual	2019 Actual
Total	\$ -	\$ -
Number of people	-	-

23 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2020 (Contingent liabilities and assets as at 31 December 2019:\$nil).

Holidays Act Compliance - schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the School may exist.

24 Commitments

(a) Capital commitments

As at 31 December 2020 the Board had entered into contract agreements for capital works as follows:

\$54,446 contract for a vehicle storage shed, \$47,200 for carpark remediation and \$70,670 for the netball court reinstatement. These projects are fully funded by the Ministry of Education and have been approved by the Ministry.

As at 31 December 2019 the Board had entered into the following contract agreement for capital works:

\$337,640 contract to build a canopy over the netball court area. This project was fully funded by the School and \$173,820 had been spent on the project to balance date. This project had been approved by the Ministry.

PONSONBY INTERMEDIATE SCHOOL

Notes to the Financial Statements

24 Commitments (cont'd)

(b) Operating commitments

As at 31 December 2020 the Board has entered into the following contracts for office equipment:

	2020 Actual \$	2019 Actual \$
No later than one year	-	2,232
Later than one year and no later than five years	-	2,508
	<u>\$ -</u>	<u>\$ 4,740</u>

25 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

26 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and cash equivalents	179,517	75,243	364,497
Receivables	202,958	163,928	169,621
Investments - term deposits	724,894	560,145	460,145
Total financial assets measured at amortised cost	<u>\$ 1,107,369</u>	<u>\$ 799,316</u>	<u>\$ 994,263</u>

Financial liabilities measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Payables	354,706	231,378	370,416
Finance leases	22,711	24,556	31,041
Total financial liabilities measured at amortised cost	<u>\$ 377,417</u>	<u>\$ 255,934</u>	<u>\$ 401,457</u>

27 Comparatives

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

28 Events after Balance Date

On 11 March 2020 the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Throughout the financial year the impact of the pandemic and New Zealand's COVID-19 alert levels has affected the school. At alert level 4 and level 3 all schools and kura are closed with limited access during alert level 3. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum so students can learn remotely during alert levels 4 and 3.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact, however the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education even while closed.

29 Breach of Law - Failure to comply with Section 87 of the Education Act 1989

The Board of Trustees did not comply with section 87A(1) of the Education Act in that the Board of Trustees did not report by 31 May 2021, the date fixed by the Ministry of Education, by which schools were required to have sent their annual report to the Ministry of Education. This was due to the impacts of the fire and subsequently completing a new cyclical maintenance plan.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PONSONBY INTERMEDIATE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Ponsonby Intermediate School (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 26 November 2021. 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 of Trustees 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 of Trustees for the financial statements

The Board of Trustees 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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 Novopay 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 of Trustees 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 of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Melissa Youngson

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand