

# **PONSONBY INTERMEDIATE SCHOOL**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

### **School Directory**

<b>Ministry Number</b>	1445
<b>Principal</b>	Mr Nick Wilson
<b>School Address</b>	50 Clarence Street Ponsonby, Auckland
<b>School Postal Address</b>	50 Clarence Street Ponsonby, Auckland
<b>School Phone</b>	(09) 376-0096
<b>School E-mail Address</b>	<a href="mailto:office@ponsint.school.nz">office@ponsint.school.nz</a>

#### **Members of the Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Occupation</b>	<b>Term Expires</b>
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

<b>Accountant/Service Provider</b>	The Practice Consultants Ltd
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**PONSONBY INTERMEDIATE SCHOOL**  
**ANNUAL REPORT**  
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# PONSONBY INTERMEDIATE SCHOOL

## Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

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

*CES Hood*

Full Name of Board Chairperson

*Carol Hood*

Signature of Board Chairperson

*17/11/22*

Date:

*Rich Wilson*

Full Name of Principal

*d.wilson*

Signature of Principal

*17. 11. 22*

Date:

# PONSONBY INTERMEDIATE SCHOOL

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	5,686,796	6,110,000	6,342,758
Locally Raised Funds	3	389,086	283,000	498,637
International Students	4	28,777	42,000	141,569
Interest Income		9,240	10,000	15,060
Other Revenue	27	718,496	-	-
		<u>6,832,395</u>	<u>6,445,000</u>	<u>6,998,024</u>
<b>Expenses</b>				
Locally Raised Funds	3	81,673	10,500	226,495
International Students	4	5,703	5,000	22,329
Learning Resources	5	3,107,181	2,857,650	2,881,515
Administration	6	324,479	300,646	291,420
Finance	7	1,456	12,000	2,292
Property	8	2,520,321	3,082,520	3,377,731
Impairment of Property, Plant and Equipment	27	-	-	110,086
Other Expenses	27	430,146	-	-
Depreciation	13	174,537	105,000	176,166
		<u>6,645,496</u>	<u>6,373,316</u>	<u>7,088,034</u>
<b>Net Surplus/(Deficit) for the year</b>		<u>186,899</u>	<u>71,684</u>	<u>(90,010)</u>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>\$ 186,899</u>	<u>\$ 71,684</u>	<u>\$ (90,010)</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 2021

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>	1,242,977	1,242,977	1,319,628
Total Comprehensive Revenue and Expense for the Year	186,899	71,684	(90,010)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	13,359
<b>Equity at 31 December</b>	<u>\$ 1,429,876</u>	<u>\$ 1,314,661</u>	<u>\$ 1,242,977</u>
Retained Earnings	1,429,876	1,314,661	1,242,977
Reserves	-	-	-
<b>Equity at 31 December</b>	<u>\$ 1,429,876</u>	<u>\$ 1,314,661</u>	<u>\$ 1,242,977</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 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	9	241,933	59,275	179,517
Accounts Receivable	10	203,931	202,958	202,958
GST Receivable		4,150	-	35,038
Prepayments		17,363	27,043	27,043
Inventories	11	55,404	41,219	41,219
Investments	12	631,227	724,894	724,894
		<u>1,154,008</u>	<u>1,055,389</u>	<u>1,210,669</u>
<b>Current Liabilities</b>				
Accounts Payable	14	343,678	274,114	354,706
Revenue Received in Advance	15	-	31,452	31,452
GST Payable		-	971	-
Funds held for Capital Works Projects	16	176,367	-	169,370
Provision for Cyclical Maintenance	17	39,368	17,290	29,908
Finance Lease Liability	18	5,628	5,628	15,159
		<u>565,041</u>	<u>329,455</u>	<u>600,595</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>588,967</u>	<u>725,934</u>	<u>610,074</u>
<b>Non Current Assets</b>				
Property, Plant and Equipment	13	910,971	666,726	709,726
		<u>910,971</u>	<u>666,726</u>	<u>709,726</u>
<b>Non Current Liabilities</b>				
Provision for Cyclical Maintenance	17	68,138	76,075	69,271
Finance Lease Liability	18	1,924	1,924	7,552
		<u>70,062</u>	<u>77,999</u>	<u>76,823</u>
<b>Net Assets</b>		<u>\$ 1,429,876</u>	<u>\$ 1,314,661</u>	<u>\$ 1,242,977</u>
<b>Equity</b>		<u>\$ 1,429,876</u>	<u>\$ 1,314,661</u>	<u>\$ 1,242,977</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 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash Flows from Operating Activities</b>				
Government Grants		882,806	729,408	921,187
Locally Raised Funds		389,086	283,000	498,637
International Students		(5,823)	42,000	92,786
Goods and Services Tax (net)		32,123	36,009	(9,878)
Payments to Employees		(575,604)	(370,000)	(473,047)
Payments to Suppliers		(1,069,101)	(558,796)	(749,222)
Proceeds from Insurance Claim		717,196	-	-
Cyclical Maintenance Payments		(37,977)	(33,334)	(49,777)
Interest Paid		(1,456)	(12,000)	(2,292)
Interest Received		9,531	10,000	15,718
Net Cash from/(to) the Operating Activities		340,781	126,287	244,112
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment		(372,286)	(62,000)	(333,140)
Purchase of Investments		(631,227)	(724,894)	(724,894)
Proceeds from Sale of Investments		724,894	724,894	460,145
Net Cash from/(to) the Investing Activities		(278,619)	(62,000)	(597,889)
<b>Cash Flows from Financing Activities</b>				
Finance Lease Payments		(6,743)	(15,159)	(6,625)
Furniture and Equipment Grant		-	-	13,359
Funds Held for Capital Works Projects		6,997	(169,370)	162,063
Net Cash from/(to) the Financing Activities		254	(184,529)	168,797
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		62,416	(120,242)	(184,980)
Cash and Cash Equivalents at the Beginning of the Year	9	179,517	179,517	364,497
<b>Cash and Cash Equivalents at the End of the Year</b>	9	<u>\$ 241,933</u>	<u>\$ 59,275</u>	<u>\$ 179,517</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 2021

#### **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 and Training 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 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

##### ***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.

##### ***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.



# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### ***Critical Accounting Estimates And Assumptions (cont'd)***

#### *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 17.

#### *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 13.

### ***Critical Judgements in Applying Accounting Policies***

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

#### *Classification of leases*

Determining whether a lease 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 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.

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.

# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### ***Government Grants Schools (cont'd)***

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 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.

### **h) 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.



# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### i) Investments

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

### j) Property, Plant and Equipment

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

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

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

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

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

### 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.

### 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

# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### **k) 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.

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.

### **l) 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.

### **m) 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.

### **n) Employee Entitlements**

#### *Short-term employee entitlements*

Employee benefits that are expected to be settled within 12 months after the end of the reporting 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, annual leave earned, by non teaching staff, but not yet taken at balance date.



# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### **n) Employee Entitlements (cont'd)**

#### *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.

### **o) 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.

### **p) 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.

### **q) 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 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

### **r) 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.

### **s) Budget Figures**

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

### **t) 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational grants	845,392	775,000	828,852
Teachers' salaries grants	2,561,671	2,500,000	2,414,528
Use of land and buildings grants	2,233,903	2,800,000	2,998,321
Other MoE grants	45,830	35,000	101,057
	<u>\$ 5,686,796</u>	<u>\$ 6,110,000</u>	<u>\$ 6,342,758</u>

### 3 Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<i>Revenue</i>			
Donations	271,806	252,000	243,792
Trading	41,392	7,000	39,848
Fees for extra curricular activities	74,876	23,500	214,341
Fundraising and community grants	1,012	500	656
	<u>389,086</u>	<u>283,000</u>	<u>498,637</u>
<i>Expenses</i>			
Trading	30,198	-	32,543
Extra curricular activities costs	51,475	10,500	193,952
	<u>81,673</u>	<u>10,500</u>	<u>226,495</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>\$ 307,413</u>	<u>\$ 272,500</u>	<u>\$ 272,142</u>

### 4 International Students Revenue and Expenses

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	Number	Number	Number
International student roll	3	4	12
	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<i>Revenue</i>			
International student fees	28,777	42,000	141,569
<i>Expenses</i>			
Commissions	2,822	-	14,665
Insurance	489	2,000	2,439
International student levy	2,370	3,000	5,160
Marketing fees	22	-	65
	<u>5,703</u>	<u>5,000</u>	<u>22,329</u>
<i>Surplus/(Deficit) for the year International Students</i>	<u>\$ 23,074</u>	<u>\$ 37,000</u>	<u>\$ 119,240</u>



# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### 5 Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	151,513	150,350	92,439
Equipment repairs	299	7,500	10,696
Information and communication technology	34,977	23,000	20,158
Library resources	3,727	2,300	3,691
Staff development	36,964	16,500	19,910
Employee benefits - salaries	2,879,701	2,658,000	2,734,621
	<u>\$ 3,107,181</u>	<u>\$ 2,857,650</u>	<u>\$ 2,881,515</u>

### 6 Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
ACC premiums	9,734	1,100	9,284
Advertising	4,199	8,000	5,154
Audit fees	10,603	9,250	9,233
Board of Trustees fees	3,590	3,300	3,130
Board of Trustees expenses	4,086	4,900	5,494
Communication	17,754	16,000	13,823
Consumables	24,601	37,046	31,215
Insurance	19,662	20,000	19,545
Operating lease	2,154	800	3,018
Other	28,670	21,250	26,388
Service providers, contractors and consultancy	19,787	14,500	20,971
Employee benefits - salaries	179,639	164,500	144,165
	<u>\$ 324,479</u>	<u>\$ 300,646</u>	<u>\$ 291,420</u>

### 7 Finance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Finance costs	1,456	12,000	2,292
	<u>\$ 1,456</u>	<u>\$ 12,000</u>	<u>\$ 2,292</u>

### 8 Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and cleaning consumables	16,313	17,400	19,559
Consultancy and contract services	55,000	58,600	57,115
Cyclical maintenance provision	46,304	27,520	105,277
Grounds	30,516	28,500	27,133
Heat, light and water	30,457	38,000	35,832
Repairs and maintenance	48,992	56,500	73,882
Use of land and buildings	2,233,903	2,800,000	2,998,321
Security	14,121	8,500	14,421
Employee benefits - salaries	44,715	47,500	46,191
	<u>\$ 2,520,321</u>	<u>\$ 3,082,520</u>	<u>\$ 3,377,731</u>



# **PONSONBY INTERMEDIATE SCHOOL**

## **Notes to the Financial Statements**

### **8 Property (cont'd)**

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.

### **9 Cash and Cash Equivalents**

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank accounts	241,933	59,275	179,517
	<u>\$ 241,933</u>	<u>\$ 59,275</u>	<u>\$ 179,517</u>

Of the \$241,933 Cash and Cash Equivalents, \$176,367 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.

### **10 Accounts Receivable**

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables from the Ministry of Education	1,495	-	-
Interest receivable	2,981	3,272	3,272
Teachers salaries grant receivable	199,455	199,686	199,686
	<u>\$ 203,931</u>	<u>\$ 202,958</u>	<u>\$ 202,958</u>
Receivables from exchange transactions	2,981	3,272	3,272
Receivables from non-exchange transactions	200,950	199,686	199,686
	<u>\$ 203,931</u>	<u>\$ 202,958</u>	<u>\$ 202,958</u>

### **11 Inventories**

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Uniforms	55,404	41,219	41,219
	<u>\$ 55,404</u>	<u>\$ 41,219</u>	<u>\$ 41,219</u>

### **12 Investments**

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current asset			
Short-term bank deposits	631,227	724,894	724,894
	<u>\$ 631,227</u>	<u>\$ 724,894</u>	<u>\$ 724,894</u>

# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### 13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$
2021					
Building improvements	401,355	-	-	(11,569)	389,786
Furniture and equipment	159,693	205,426	-	(60,092)	305,027
Information and communication	108,231	162,706	-	(97,342)	173,595
Motor vehicles	-	-	-	-	-
Library resources	40,447	7,650	-	(5,534)	42,563
<b>Balance at 31 December 2021</b>	<b>\$ 709,726</b>	<b>\$ 375,782</b>	<b>\$ -</b>	<b>\$ ( 174,537)</b>	<b>\$ 910,971</b>

The net carrying value of equipment held under a finance lease is \$6,604 (2020: \$21,133).

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
2021	\$	\$	\$	\$	\$	\$
Building improvements	462,754	(72,967)	389,787	462,753	(61,398)	401,355
Furniture and equipment	762,469	(457,443)	305,026	557,043	(397,350)	159,693
Information and communication	810,414	(636,820)	173,594	647,708	(539,477)	108,231
Motor vehicles	52,512	(52,512)	-	52,512	(52,512)	-
Library resources	138,522	(95,958)	42,564	130,871	(90,424)	40,447
<b>Balance at 31 December</b>	<b>\$ 2,226,671</b>	<b>\$ ( 1,315,700)</b>	<b>\$ 910,971</b>	<b>\$ 1,850,887</b>	<b>\$ ( 1,141,161)</b>	<b>\$ 709,726</b>

### 14 Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	49,160	38,996	38,996
Accruals	16,103	14,681	14,681
Employee entitlements - leave accrual	27,161	20,751	20,751
Employee entitlements - salaries	199,455	199,686	199,686
Banking staffing overuse	51,799	-	80,592
	<b>\$ 343,678</b>	<b>\$ 274,114</b>	<b>\$ 354,706</b>
Payables for exchange transactions	343,678	274,114	354,706
Payables for non-exchange transactions	-	-	-
	<b>\$ 343,678</b>	<b>\$ 274,114</b>	<b>\$ 354,706</b>

The carrying value of payables approximates their fair value.

### 15 Revenue Received in Advance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International student fees in advance	-	31,452	31,452
	<b>\$ -</b>	<b>\$ 31,452</b>	<b>\$ 31,452</b>

# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### 16 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 Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
<b>2021</b>		\$	\$	\$	\$	\$
SIP projects	<i>in progress</i>	169,370	3,830	3,167	-	176,367
Totals		<u>\$ 169,370</u>	<u>\$ 3,830</u>	<u>\$ 3,167</u>	<u>\$ -</u>	<u>\$ 176,367</u>

Payments comprise payments made during the year of \$9,229 net of a refund of \$12,396 from payments made last year.

Represented by:

Funds held on behalf of the Ministry of Education

176,367  
\$ 176,367

		Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
<b>2020</b>		\$	\$	\$	\$	\$
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  
\$ 169,370

### 17 Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the start of the year	99,179	99,179	43,679
Increase/(decrease) to the provision during the year	46,304	27,516	105,277
Use of the provision during the year	(37,977)	(33,330)	(49,777)
Provision at the end of the year	<u>\$ 107,506</u>	<u>\$ 93,365</u>	<u>\$ 99,179</u>
Cyclical maintenance - current	39,368	17,290	29,908
Cyclical maintenance - term	68,138	76,075	69,271
	<u>\$ 107,506</u>	<u>\$ 93,365</u>	<u>\$ 99,179</u>

### 18 Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No later than one year	5,988	5,998	16,615
Later than one year and no later than five years	2,006	2,006	7,994
Future finance charges	(442)	(442)	(1,898)
	<u>\$ 7,552</u>	<u>\$ 7,562</u>	<u>\$ 22,711</u>
Finance lease liability - current	5,628	5,628	15,159
Finance lease liability - term	1,924	1,924	7,552
	<u>\$ 7,552</u>	<u>\$ 7,562</u>	<u>\$ 22,711</u>



## Notes to the Financial Statements

### 19 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.

### 20 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.

	2021 Actual \$	2020 Actual \$
<i>Board members</i>		
Remuneration	3,590	3,130
<i>Leadership team</i>		
Remuneration	1,025,890	1,025,813
Full-time equivalent members	9.40	10.00
Total key management personnel remuneration	1,029,480	1,028,943

There are 6 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (2 members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions and other disciplinary matters.

#### Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and other short-term employee benefits:		
Salary and other payments	140-150	140-150
Benefits and other emoluments	4-5	4-5
Termination benefits	-	-

#### Other employees

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

Remuneration \$000	2021 Number	2020 Number
100-110	5	3
110-120	1	-
120-130	1	-

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



## Notes to the Financial Statements

### 21 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:

	2021 Actual	2020 Actual
Total	\$ -	\$ -
Number of people	-	-

### 22 Contingencies

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

#### Holidays Act Compliance - schools payroll

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

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

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

### 23 Commitments

#### (a) Capital commitments

As at 31 December 2021 the Board has not entered into any contract agreements for capital works.

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.

#### (b) Operating commitments

As at 31 December 2021 the Board has not entered into any operating contracts (Operating commitments as at 31 December 2020: \$nil).

### 24 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	241,933	59,275	179,517
Receivables	203,931	202,958	202,958
Investments - term deposits	631,227	724,894	724,894
Total financial assets measured at amortised cost	\$ 1,077,091	\$ 987,127	\$ 1,107,369

#### Financial liabilities measured at amortised cost

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Payables	343,678	274,114	354,706
Finance leases	7,552	7,552	22,711
Total financial liabilities measured at amortised cost	\$ 351,230	\$ 281,666	\$ 377,417

# PONSONBY INTERMEDIATE SCHOOL

## Notes to the Financial Statements

### 25 Comparatives

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

### 26 Events after Balance Date

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

### 27 Insurance Claim

Last year there was a fire at the School on 9 December 2020 which destroyed a classroom block resulting in an impairment loss of \$110,086.

The insurance claim is shown this year as Other Revenue of \$718,496 comprising \$256,024 received from the Ministry of Education and \$462,472 from other insurers. The cost of replacing consumable items destroyed in the fire and other costs associated with the fire are shown as Other Expenses of \$430,146.

### 28 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 Tahuhu o te Mātauranga | Ministry of 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 fundraising 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 method of curriculum delivery.

#### Reduction in international students

Under alert levels 4,3, 2 and 1 international travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees and charges from international students.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PONSONBY INTERMEDIATE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 17 November 2022. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989

### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.





We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board 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.

A handwritten signature in black ink, appearing to read "M. Laing", with a stylized flourish at the end.

**Matt Laing**

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand