

PAPAKURA HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 101

Principal: Simon Craggs

School Address: Willis Rd, Papakura 2110

School Postal Address: PO Box 72 080, Papakura 2244

School Phone: (09) 2964400

School Email: k.lilley@papakurahigh.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Murray Tume	Chairperson	Co-opted Sept 2019	2022
Deeana Howard-Afeaki	Elected member	Elected June 2019	2022
John Rohs/ Simon Craggs	Principal	Appointed	
Rosalie Freeman	Elected Member	Elected June 2019	2022
Enosa Auva'a	Elected Member	Elected June 2019	2022
Kim Hassan	Co-opted Member	Co-opted Sept 2019	2022
Kamine Te Rongomau	Co-opted Member	Co-opted Sept 2019	2022
Nane Lockington	Elected Member	Elected June 2019	2022
Moana Ratahi	Elected member	Elected June 2019	2022
Beverley Matamua	Staff Rep	Elected Sept 2019	2022
Logan Lepua	Student Rep	Elected Sept 2020	Sep-21

Accountant / Service Provider: Karee Lilley

PAPAKURA HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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Papakura High 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.

Murray Tims
Full Name of Board Chairperson

Murray Tims
Signature of Board Chairperson

21/5/21
Date:

Simon Leslie Craggs
Full Name of Principal

Simon Leslie Craggs
Signature of Principal

21/5/21
Date:

Papakura High 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	9,748,352	9,348,432	8,510,008
Locally Raised Funds	3	128,141	177,140	261,106
Interest income		3,555	25,000	24,893
Other Revenue		840	1,140	1,125
		<u>9,880,888</u>	<u>9,551,712</u>	<u>8,797,132</u>
Expenses				
Locally Raised Funds	3	80,687	128,869	156,190
Learning Resources	4	6,334,009	6,100,597	5,586,995
Administration	5	725,731	633,780	711,460
Finance		8,349	12,000	7,259
Property	6	2,585,357	2,484,086	2,537,129
Depreciation	7	220,295	181,992	225,332
		<u>9,954,428</u>	<u>9,541,324</u>	<u>9,224,365</u>
Net Surplus / (Deficit) for the year		(73,540)	10,388	(427,233)
Total Comprehensive Revenue and Expense for the Year		<u>(73,540)</u>	<u>10,388</u>	<u>(427,233)</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.

Papakura High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>1,898,947</u>	<u>1,971,608</u>	<u>2,326,180</u>
Total comprehensive revenue and expense for the year		(73,540)	10,388	(427,233)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		21,896	21,896	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	23	<u>1,847,303</u>	<u>2,003,892</u>	<u>1,898,947</u>
Retained Earnings		1,847,303	2,003,892	1,898,947
Equity at 31 December		<u>1,847,303</u>	<u>2,003,892</u>	<u>1,898,947</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.

Papakura High School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	1,159,359	1,100,510	1,090,510
Accounts Receivable	9	387,890	384,500	293,228
GST Receivable		35,393	2,600	4,797
Prepayments		2,388	6,800	8,367
Inventories	10	9,156	9,800	10,651
Investments	11	21,292	21,100	20,850
		<u>1,615,478</u>	<u>1,525,310</u>	<u>1,428,403</u>
Current Liabilities				
Accounts Payable	13	640,231	399,000	387,471
Revenue Received in Advance	14	154,609	151,200	148,930
Provision for Cyclical Maintenance	15	119,526	120,000	140,952
Finance Lease Liability - Current Portion	16	41,190	45,000	48,223
Funds held for Capital Works Projects	18	23,791	20,021	78,290
		<u>979,347</u>	<u>735,221</u>	<u>803,866</u>
Working Capital Surplus/(Deficit)		636,131	790,089	624,537
Non-current Assets				
Property, Plant and Equipment	12	1,357,054	1,361,345	1,412,573
		<u>1,357,054</u>	<u>1,361,345</u>	<u>1,412,573</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	110,415	110,000	90,050
Finance Lease Liability	16	28,525	35,600	46,171
Funds held in Trust	17	6,942	1,942	1,942
		<u>145,882</u>	<u>147,542</u>	<u>138,163</u>
Net Assets		<u>1,847,303</u>	<u>2,003,892</u>	<u>1,898,947</u>
Equity	23	<u>1,847,303</u>	<u>2,003,892</u>	<u>1,898,947</u>

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

Papakura High School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		3,757,363	4,260,460	3,098,928
Locally Raised Funds		150,712	234,580	299,266
Goods and Services Tax (net)		(30,596)	(2,600)	21,898
Funds Administered on Behalf of Third Parties		5,000	1,942	-
Payments to Employees		(1,903,928)	(1,795,621)	(1,726,583)
Payments to Suppliers		(1,657,802)	(1,831,604)	(1,755,546)
Cyclical Maintenance Payments in the year		(24,611)	179,996	-
Interest Paid		(8,349)	(12,000)	(7,259)
Interest Received		3,559	25,000	24,893
Net cash from/(to) Operating Activities		291,348	1,060,153	(44,403)
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	105,000	-
Purchase of Property Plant & Equipment (and Intangibles)		(143,843)	(130,764)	(205,469)
Purchase of Investments		(442)	(250)	(664)
Net cash from/(to) Investing Activities		(144,285)	(26,014)	(206,133)
Cash flows from Financing Activities				
Furniture and Equipment Grant		21,896	21,896	-
Finance Lease Payments		(45,610)	(13,794)	(51,356)
Loans Received/ Repayment of Loans		-	-	(158,419)
Funds Held for Capital Works Projects		(54,500)	58,269	78,291
Net cash from/(to) Financing Activities		(78,214)	66,371	(131,484)
Net increase/(decrease) in cash and cash equivalents		68,849	1,100,510	(382,020)
Cash and cash equivalents at the beginning of the year	8	1,090,510		1,472,530
Cash and cash equivalents at the end of the year	8	1,159,359	1,100,510	1,090,510

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.

Papakura High School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Papakura High 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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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.

h) Accounts Receivable

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

i) Inventories

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

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.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School are 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 that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its 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

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

Non cash generating assets

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

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

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

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

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, to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received 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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) Financial Instruments

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



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

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

u) Borrowings

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

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	2,753,649	3,016,440	2,282,509
Teachers' Salaries Grants	4,421,966	4,035,360	3,930,474
Use of Land and Buildings Grants	1,522,807	1,521,240	1,521,235
Resource Teachers Learning and Behaviour Grants	19,402	10,584	16,064
Other MoE Grants	415,028	116,832	138,989
Other Government Grants	615,500	647,976	620,737
	<u>9,748,352</u>	<u>9,348,432</u>	<u>8,510,008</u>

The school has opted in to the donations scheme for this year. Total amount received was \$96,000.

Other MOE Grants total includes additional COVID-19 funding totalling \$64,415 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	3,554	996	6,983
Bequests & Grants	16,213	9,996	46,572
Activities	80,698	114,428	154,410
Trading	14,396	32,772	42,858
Other Revenue	13,280	18,948	10,283
	<u>128,141</u>	<u>177,140</u>	<u>261,106</u>
Expenses			
Activities	66,476	112,068	138,492
Trading	14,211	16,801	17,698
	<u>80,687</u>	<u>128,869</u>	<u>156,190</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>47,454</u>	<u>48,271</u>	<u>104,916</u>

4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	338,751	549,601	321,131
Equipment Repairs	47,227	54,564	32,482
Information and Communication Technology	91,648	94,308	94,081
Library Resources	6,134	8,400	6,029
Employee Benefits - Salaries	5,830,201	5,369,232	5,115,857
Staff Development	20,048	24,492	17,415
	<u>6,334,009</u>	<u>6,100,597</u>	<u>5,586,995</u>

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	9,461	10,524	12,141
Board of Trustees Fees	6,920	9,996	9,340
Board of Trustees Expenses	12,395	6,996	5,611
Intervention Costs & Expenses	33,083	30,000	31,453
Communication	47,115	75,504	62,418
Consumables	53,425	61,008	66,079
Operating Lease	993	2,508	8,195
Other	48,135	78,576	69,381
Employee Benefits - Salaries	494,458	332,688	430,096
Insurance	19,746	25,980	16,746
	<u>725,731</u>	<u>633,780</u>	<u>711,460</u>

6. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	203,474	218,304	155,053
Cyclical Maintenance Provision	23,550	50,004	46,882
Grounds	45,154	53,796	40,052
Heat, Light and Water	119,401	152,112	231,201
Rates	468	504	454
Repairs and Maintenance	432,342	237,458	321,850
Use of Land and Buildings	1,522,807	1,521,240	1,521,235
Security	91,112	110,004	87,707
Employee Benefits - Salaries	147,049	140,664	132,695
	<u>2,585,357</u>	<u>2,484,086</u>	<u>2,537,129</u>

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.

7. Depreciation

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements - Crown	18,427	2,004	25,403
Furniture and Equipment	63,413	-	72,624
Information and Communication Technology	59,616	139,992	59,451
Motor Vehicles	14,672	15,000	16,230
Textbooks	6,486	15,000	4,623
Leased Assets	51,022	-	43,430
Library Resources	6,659	9,996	3,571
	<u>220,295</u>	<u>181,992</u>	<u>225,332</u>

8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	300	300	300
Bank Current Account	1,159,059	1,100,210	1,090,210
Cash and cash equivalents for Statement of Cash Flows	<u>1,159,359</u>	<u>1,100,510</u>	<u>1,090,510</u>

The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value.

Of the \$1,159,359 Cash and Cash Equivalents, \$27,391 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.

Of the \$1,159,059 Cash and Cash Equivalents, \$154,608 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	43,520	44,500	46,439
Interest Receivable	-	-	4
Teacher Salaries Grant Receivable	344,370	340,000	246,785
	<u>387,890</u>	<u>384,500</u>	<u>293,228</u>
Receivables from Exchange Transactions	43,520	44,500	46,443
Receivables from Non-Exchange Transactions	344,370	340,000	246,785
	<u>387,890</u>	<u>384,500</u>	<u>293,228</u>

10. Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	6,858	7,500	9,885
School Uniforms	2,298	2,300	766
	<u>9,156</u>	<u>9,800</u>	<u>10,651</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset Short-term Bank Deposits	21,292	21,100	20,850
Total Investments	21,292	21,100	20,850

12. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	25,000	-	-	-	-	25,000
Building Improvements	640,914	-	-	-	(18,427)	622,487
Furniture and Equipment	317,804	18,691	-	-	(63,413)	273,082
Information and Communication Technology	209,105	112,571	-	-	(59,616)	262,060
Motor Vehicles	54,816	-	-	-	(14,672)	40,144
Textbooks	21,412	6,927	-	-	(6,486)	21,853
Leased Assets	118,526	20,934	-	-	(51,022)	88,438
Library Resources	24,995	5,653	-	-	(6,659)	23,989
Balance at 31 December 2020	1,412,572	164,776	-	-	(220,295)	1,357,054

The net carrying value of equipment held under a finance lease is **\$89,258 (2019: \$118,526)**

The net carrying value of motor vehicles held under a finance lease is **\$0,00 (2019: \$0)**

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	25,000	-	25,000
Building Improvements	845,948	(223,462)	622,487
Furniture and Equipment	1,144,459	(871,377)	273,082
Information and Communication Technology	1,051,246	(789,185)	262,060
Motor Vehicles	160,097	(119,953)	40,144
Textbooks	172,468	(150,615)	21,853
Leased Assets	484,419	(395,981)	88,438
Library Resources	110,270	(86,281)	23,989
Balance at 31 December 2020	3,993,907	(2,636,854)	1,357,054

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	25,000				-	25,000
Building Improvements	666,316				(25,403)	640,912
Furniture and Equipment	379,603	26,379	(15,555)		(72,624)	317,803
Information and Communication Technology	130,310	147,266	(9,020)		(59,451)	209,105
Motor Vehicles	31,467	39,579			(16,230)	54,816
Textbooks	5,590	20,447			(4,623)	21,414
Leased Assets	55,107	106,849			(43,430)	118,526
Library Resources	32,191	7,892	(11,516)		(3,571)	24,996
Balance at 31 December 2019	1,325,584	348,412	(36,091)	-	(225,332)	1,412,573

The net carrying value of equipment held under a finance lease is **\$118,526 (2018: \$55,106)**

The net carrying value of motor vehicles held under a finance lease is **\$0 (2018: \$0)**

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	25,000	-	25,000
Building Improvements	845,948	(205,034)	640,913
Furniture and Equipment	1,125,768	(807,964)	317,803
Information and Communication Technology	938,674	(729,569)	209,105
Motor Vehicles	160,097	(105,281)	54,816
Textbooks	165,541	(144,129)	21,414
Leased Assets	463,485	(344,959)	118,526
Library Resources	104,617	(79,621)	24,996
Balance at 31 December 2019	3,829,130	(2,416,557)	1,412,573

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	120,262	110,500	110,901
Accruals	7,673	8,000	7,673
Employee Entitlements - Salaries	477,493	260,000	253,179
Employee Entitlements - Leave Accrual	34,803	20,500	15,718
	<u>640,231</u>	<u>399,000</u>	<u>387,471</u>
Payables for Exchange Transactions	640,231	399,000	387,471
	<u>640,231</u>	<u>399,000</u>	<u>387,471</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	42,905	50,400	56,038
Other	111,704	100,800	92,892
	<u>154,609</u>	<u>151,200</u>	<u>148,930</u>

15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	231,002	231,002	184,119
Increase/ (decrease) to the Provision During the Year	23,550	50,004	46,883
Use of the Provision During the Year	(24,611)	-	-
Provision at the End of the Year	<u>229,941</u>	<u>281,006</u>	<u>231,002</u>
Cyclical Maintenance - Current	119,526	120,000	140,952
Cyclical Maintenance - Term	110,415	110,000	90,050
	<u>229,941</u>	<u>230,000</u>	<u>231,002</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	56,132		48,811
Later than One Year and no Later than Five Years	35,423		48,518
	<u>91,555</u>	<u>-</u>	<u>97,329</u>

17. Funds held in Trust

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Non-current	6,942	1,942	1,942
	<u>6,942</u>	<u>1,942</u>	<u>1,942</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

18. 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:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Drainage 2016	<i>completed</i>	(76,568)	-	-	76,568	-
Spouting	<i>in progress</i>	25,021	-	-	-	25,021
MA Block	<i>completed</i>	44,337	-	(44,337)	-	-
MA Block English Classrooms	<i>in progress</i>	85,500	7,586	(93,086)	-	-
Bilingual Signage	<i>in progress</i>	-	45,000	(32,101)	-	12,899
G Block Refurbishment	<i>in progress</i>	-	76,500	(90,629)	-	(14,129)
Totals		78,290	129,086	(260,153)	76,568	23,791

Represented by:

Funds Held on Behalf of the Ministry of Education	23,791
Funds Due from the Ministry of Education	-
	23,791

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Drainage 2016	<i>in progress</i>	(76,568)	-	-	-	(76,568)
Spouting	<i>in progress</i>	25,021	-	-	-	25,021
MA Block	<i>in progress</i>	44,337	-	-	-	44,337
Rosehill Special Needs Driveway	<i>completed</i>	(9,438)	10,715	-	(1,277)	-
Rosehill Special Needs Satellite C	<i>completed</i>	(4,046)	4,046	-	-	-
Rosehill Special School Classroom	<i>completed</i>	(18,300)	19,487	-	(1,187)	-
MA Block English Classrooms		-	85,500	-	-	85,500
Totals		(38,994)	119,748	-	(2,464)	78,290

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 condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.



20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	6,920	9,340
Full-time equivalent members	0.28	0.17
<i>Leadership Team</i>		
Remuneration	702,087	647,541
Full-time equivalent members	5	5
Total key management personnel remuneration	709,007	656,881
Total full-time equivalent personnel	5.28	5.17

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.

Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	220-230	200-210

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	7.00	3.00
110-120	0.00	1.00
120-130	2.00	0.00
130-140	1	0
	10.00	4.00

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

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2020** (Contingent liabilities and assets 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

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

- (a) \$49,500 contract for Bilingual Signage to be completed in 2021, which will be fully funded by the Ministry of Education. \$45,000 has been received of which \$32,101 has been spent on the project to date; and
- (b) \$84,048 contract to Fusion Network Limited for on-site IT weekly service starting from 1 January 2021 to 31 December 2021

(Capital commitments at 31 December 2019: \$228,311)

(b) Operating Commitments

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

- (a) operating lease of a Minibus and EFTPOS Machine;

	2020 Actual \$	2019 Actual \$
No later than One Year	15,336	14,379
Later than One Year and No Later than Five Years	9,984	24,815
	25,320	39,194

23. 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.

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	1,159,359	1,100,510	1,090,510
Receivables	387,890	384,500	293,228
Total Financial assets measured at amortised cost	1,547,249	1,485,010	1,383,738

Financial liabilities measured at amortised cost

Payables	640,231	399,000	387,471
Finance Leases	69,715	80,600	94,394
Total Financial Liabilities Measured at Amortised Cost	709,946	479,600	481,865

25. Comparatives

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF PAPA KURA HIGH SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

The Auditor-General is the auditor of Papakura High School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, 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 22, 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 25 May 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 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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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 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 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 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 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 obtained at the date of our audit report is Papakura High School Analysis of Variance – 2020 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.



Kurt Sherlock
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand