

PAPATOETOE EAST PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 1427

Principal: Nicola Eley

School Address: 138 Tui Road,
Papatoetoe,
Auckland 2025

School Postal Address: P O Box 63013,
Manukau,
Auckland 2241

School Phone: 09 278-5446

School Email: general@pep.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Gina Bedwell	Presiding Member	Elected	2022
Nicola Eley	Principal ex Officio		
Gurjot Dhiman	Parent Rep	Elected	2022
Tanya Kumar	Parent Rep	Elected	2022
Michael Kwan-Him	Parent Rep	Elected	2022
Alexandra Kingi	Parent Rep	Elected	2022
Nimo Screen	Staff Rep	Elected	2022

Accountant / Service Provider: Sheryl Lane Chartered Accountant

PAPATOETOE EAST PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2021

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Papatoetoe East Primary School

Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

Mrs Gina Bedwell

Full Name of Presiding Member



Signature of Presiding Member

31-05-2022

Date:

Mrs Nicola Eley

Full Name of Principal



Signature of Principal

31-05-2022

Date:

Papatoetoe East Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	5,288,382	5,145,000	4,839,534
Locally Raised Funds	3	53,766	43,034	108,356
Interest Income		2,751	4,000	7,056
		<u>5,344,899</u>	<u>5,192,034</u>	<u>4,954,946</u>
Expenses				
Locally Raised Funds	3	56,499	38,500	6,264
Learning Resources	4	3,192,343	3,243,500	2,943,662
Administration	5	374,043	269,500	240,462
Finance		8,185	-	8,326
Property	6	1,139,565	1,440,512	1,398,289
Depreciation	11	109,287	180,000	94,957
		<u>4,879,922</u>	<u>5,172,012</u>	<u>4,691,960</u>
Net Surplus / (Deficit) for the year		464,977	20,022	262,986
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>464,977</u>	<u>20,022</u>	<u>262,986</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.

Papatoetoe East Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		1,677,447	1,677,446	1,414,461
Total comprehensive revenue and expense for the year		464,977	20,022	262,986
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		13,767	-	-
Equity at 31 December		2,156,191	1,697,468	1,677,447
Retained Earnings		2,156,191	1,697,468	1,677,447
Reserves		-	-	-
Equity at 31 December		2,156,191	1,697,468	1,677,447

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.

Papatoetoe East Primary School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	636,644	238,580	223,698
Accounts Receivable	8	290,543	200,500	209,173
GST Receivable		3,587	-	21,215
Prepayments		2,087	1,000	810
Inventories	9	220	200	229
Investments	10	457,891	458,000	455,673
		<u>1,390,972</u>	<u>898,280</u>	<u>910,798</u>
Current Liabilities				
Accounts Payable	12	242,038	233,030	276,179
Revenue Received in Advance	13	19,553	13,000	8,764
Provision for Cyclical Maintenance	14	65,145	65,145	-
Finance Lease Liability	15	25,733	18,350	15,447
Funds held for Capital Works Projects	16	10,044	-	7,532
		<u>362,513</u>	<u>329,525</u>	<u>307,922</u>
Working Capital Surplus/(Deficit)		1,028,459	568,755	602,876
Non-current Assets				
Property, Plant and Equipment	11	1,232,389	1,220,256	1,226,256
		<u>1,232,389</u>	<u>1,220,256</u>	<u>1,226,256</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	87,936	87,936	129,729
Finance Lease Liability	15	16,721	3,607	21,957
		<u>104,657</u>	<u>91,543</u>	<u>151,686</u>
Net Assets		<u><u>2,156,191</u></u>	<u><u>1,697,468</u></u>	<u><u>1,677,447</u></u>
Equity		<u><u>2,156,191</u></u>	<u><u>1,697,468</u></u>	<u><u>1,677,447</u></u>

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

Papatoetoe East Primary School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		1,498,309	1,299,384	1,284,619
Locally Raised Funds		60,810	60,111	104,225
Goods and Services Tax (net)		17,628	21,215	(3,862)
Payments to Employees		(540,097)	(587,477)	(675,461)
Payments to Suppliers		(485,455)	(588,030)	(421,881)
Cyclical Maintenance Payments in the year		(7,149)	-	(3,640)
Interest Paid		(8,185)	-	(8,326)
Interest Received		2,643	3,985	7,193
Net cash from/(to) Operating Activities		538,504	209,188	282,867
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		61,438	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(153,527)	(244,870)	(190,397)
Purchase of Investments		(2,218)	(2,327)	(159,715)
Net cash from/(to) Investing Activities		(94,307)	(247,197)	(350,112)
Cash flows from Financing Activities				
Furniture and Equipment Grant		13,767	-	-
Finance Lease Payments		(13,713)	60,423	(13,081)
Funds Held for Capital Works Projects		-	-	14,603
Funds Administered on Behalf of Third Parties		(31,305)	(7,532)	-
Net cash from/(to) Financing Activities		(31,251)	52,891	1,522
Net increase/(decrease) in cash and cash equivalents		412,946	14,882	(65,723)
Cash and cash equivalents at the beginning of the year	7	223,698	223,698	289,421
Cash and cash equivalents at the end of the year	7	636,644	238,580	223,698

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.

Papatoetoe East Primary School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

The 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 14.

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 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) 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 Proprietor 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 Proprietor 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	2.5 Straight Line
Furniture and equipment	20% Diminishing Value
Information and communication technology	33% Diminishing Value
Motor vehicles	5 % Diminishing Value
Plant and Machinery	20% Diminishing Value
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing Value

k) 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.

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

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.

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from income 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.

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) 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.

q) 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.

r) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. 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.

s) 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.

t) 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.

u) 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.

v) Budget Figures

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

w) Services received in-kind

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

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,063,865	940,000	983,910
Teachers' Salaries Grants	2,720,659	2,650,000	2,359,171
Use of Land and Buildings Grants	879,032	1,200,000	1,206,622
Other MoE Grants	391,933	280,000	-
Resource Teachers Learning and Behaviour Grants	-	-	221,956
Other Government Grants	47,082	75,000	67,875
Healthy School Lunch Programme	185,811	-	-
	<u>5,288,382</u>	<u>5,145,000</u>	<u>4,839,534</u>

The school has opted in to the donations scheme for this year. Total amount received was \$ 78,600.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations	-	-	120
Activities	19,381	19,000	1,890
Trading	8,123	1,000	1,562
Fundraising	1,361	12,000	286
Other Revenue	24,901	11,034	104,498
	<u>53,766</u>	<u>43,034</u>	<u>108,356</u>
Expenses			
Activities	42,639	36,000	3,900
Trading	13,417	1,500	2,364
Fundraising (Costs of Raising Funds)	443	1,000	-
	<u>56,499</u>	<u>38,500</u>	<u>6,264</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>(2,733)</u>	<u>4,534</u>	<u>102,092</u>

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	58,135	79,000	54,049
Resources attached teacher cost	20,558	60,500	16,168
Library Resources	2,725	1,000	1,084
Employee Benefits - Salaries	3,068,748	3,041,000	2,848,577
Staff Development	18,303	50,000	17,621
Extra-Curricular Activities	5,865	12,000	6,163
RTLITS	18,009	-	-
	3,192,343	3,243,500	2,943,662

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,000	6,500	6,000
Board of Trustees Fees	3,805	7,000	3,555
Board of Trustees Expenses	4,775	16,500	2,152
Communication	7,025	14,000	6,834
Consumables	24,656	35,000	17,430
Other	29,021	49,100	46,645
Employee Benefits - Salaries	97,228	131,400	128,954
Insurance	-	-	2,154
Service Providers, Contractors and Consultancy	17,722	10,000	26,738
Healthy School Lunch Programme	185,811	-	-
	374,043	269,500	240,462

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	15,335	16,000	14,776
Consultancy and Contract Services	75,392	59,000	52,003
Cyclical Maintenance Provision	-	20,000	14,988
Grounds	2,996	12,500	2,108
Heat, Light and Water	25,802	31,300	24,326
Repairs and Maintenance	59,753	31,712	23,745
Use of Land and Buildings	879,032	1,200,000	1,206,622
Security	6,822	8,000	7,593
Employee Benefits - Salaries	74,433	62,000	52,128
	1,139,565	1,440,512	1,398,289

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

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Current Account	636,643	238,579	223,697
Bank Call Account	1	1	1
Cash and cash equivalents for Statement of Cash Flows	<u>636,644</u>	<u>238,580</u>	<u>223,698</u>

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

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	16,587	-	12,841
Receivables from the Ministry of Education	33,818	-	-
Interest Receivable	593	500	485
Banking Staffing Underuse	21,952	-	4,384
Teacher Salaries Grant Receivable	217,593	200,000	191,463
	<u>290,543</u>	<u>200,500</u>	<u>209,173</u>
Receivables from Exchange Transactions	17,180	500	13,326
Receivables from Non-Exchange Transactions	273,363	200,000	195,847
	<u>290,543</u>	<u>200,500</u>	<u>209,173</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	220	200	229
	<u>220</u>	<u>200</u>	<u>229</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	457,891	458,000	455,673
Total Investments	<u>457,891</u>	<u>458,000</u>	<u>455,673</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	928,044	60,541	(61,438)		(30,746)	896,401
Furniture and Equipment	40,214	38,672			(14,798)	64,088
Information and Communication Technology	121,367	50,369			(41,188)	130,548
Motor Vehicles	25,867				(1,293)	24,574
Textbooks	-				-	-
Plant and Equipment	48,808	-			(9,762)	39,046
Leased Assets	24,958	23,331			(10,326)	37,963
Library Resources	36,998	3,945			(1,174)	39,769
Balance at 31 December 2021	1,226,256	176,858	(61,438)	-	(109,287)	1,232,389

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is \$ 37,963 (2020: \$ 24,958)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,244,240	(347,838)	896,402	1,245,719	(317,675)	928,044
Furniture and Equipment	495,095	(431,008)	64,087	456,424	(416,210)	40,214
Information and Communication T	818,433	(687,886)	130,547	768,064	(646,697)	121,367
Motor Vehicles	41,974	(17,400)	24,574	41,974	(16,107)	25,867
Textbooks	-	-	-	-	-	-
Plant and Equipment	237,080	(198,034)	39,046	237,080	(188,272)	48,808
Leased Assets	99,203	(61,238)	37,965	75,870	(50,912)	24,958
Library Resources	94,504	(54,736)	39,768	90,560	(53,562)	36,998
Balance at 31 December	3,030,529	(1,798,140)	1,232,389	2,915,691	(1,689,435)	1,226,256

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operating Creditors	18,649	27,530	76,139
Accruals	5,500	5,500	5,500
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	217,889	200,000	194,540
Employee Entitlements - Leave Accrual	-	-	-
	<u>242,038</u>	<u>233,030</u>	<u>276,179</u>
Payables for Exchange Transactions	242,038	233,030	276,179
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	<u>242,038</u>	<u>233,030</u>	<u>276,179</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other revenue in Advance	19,554	13,000	8,764
	<u>19,554</u>	<u>13,000</u>	<u>8,764</u>

14. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	129,729	129,729	118,380
Increase/ (decrease) to the Provision During the Year	23,353	23,353	10,861
Provision at the End of the Year	-	-	487
Provision at the End of the Year	<u>153,082</u>	<u>153,082</u>	<u>129,728</u>
Cyclical Maintenance - Current	65,145	65,145	-
Cyclical Maintenance - Term	87,936	87,936	129,729
	<u>153,081</u>	<u>153,081</u>	<u>129,729</u>

15. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	25,733	18,350	15,447
Later than One Year and no Later than Five Years	16,721	3,607	21,957
	<u>42,454</u>	<u>21,957</u>	<u>37,404</u>
Represented by			
Finance lease liability - Current	25,733	18,350	15,447
Finance lease liability - Term	16,721	3,607	21,957
	<u>42,454</u>	<u>21,957</u>	<u>37,404</u>

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.

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Junior Playground		33,286	9,879	-	(33,121)	10,044
Drainage		-			-	-
Shade Structure		(25,058)	23,940		1,118	-
Drinking Fountains		(696)	800	-	(104)	-
Totals		<u>7,532</u>	<u>34,619</u>	<u>-</u>	<u>(32,107)</u>	<u>10,044</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	10,044
Funds Due from the Ministry of Education	-
	<u>10,044</u>

		2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Junior Playground	<i>completed</i>		-	88,908	(55,622)	-	33,286
Heat Pumps	<i>completed</i>		(7,880)	7,880	-	-	-
Drainage	<i>in progress</i>		810	-	(810)	-	-
Shade Structure	<i>in progress</i>		-	215,457	(240,516)		(25,058)
Drinking Fountains			-	15,300	(15,996)	-	(696)
Totals			<u>(7,070)</u>	<u>327,545</u>	<u>(312,944)</u>	<u>-</u>	<u>7,532</u>

17. 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.

18. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,805	3,555
<i>Leadership Team</i>		
Remuneration	384,038	359,172
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>387,843</u>	<u>362,727</u>

There are five members of the Board excluding the Principal. The Board had held seven full meetings of the Board in the year. The Board also held seven Finance meetings consisting of three members during the year. A Property sub committee of three members met twice during the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including disciplinary matters.

Principal 1

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	150-160	140 - 150
Benefits and Other Emoluments	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 FTE Number	2020 FTE Number
100 - 110	3.00	1.00
110 - 120	1.00	1.00
	<u>4.00</u>	<u>2.00</u>

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

19. Compensation and Other Benefits Upon Leaving

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

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

20. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

21. Commitments

(a) Capital Commitments

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

(Capital commitments at 31 December 2020: \$0)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

(a) operating lease of a EFTPOS Machine;

	2021 Actual \$	2020 Actual \$
No later than One Year	1,079	1,079
Later than One Year and No Later than Five Years	4,318	5,397
Later than Five Years	-	-
	<u>5,397</u>	<u>6,476</u>

22. 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	636,644	238,580	223,698
Receivables	290,543	200,500	209,173
Investments - Term Deposits	457,891	458,000	455,673
Total Financial assets measured at amortised cost	<u>1,385,078</u>	<u>897,080</u>	<u>888,544</u>

Financial liabilities measured at amortised cost

Payables	242,038	233,030	276,179
Finance Leases	42,454	21,957	37,404
Total Financial Liabilities Measured at Amortised Cost	<u>284,492</u>	<u>254,987</u>	<u>313,583</u>

23. Events After Balance Date

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

24. Comparatives

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

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Independent Auditor's Report

To the readers of Papatoetoe East Primary School's Financial statements For the year ended 31 December 2021

The Auditor-General is the auditor of Papatoetoe East Primary School (the School). The Auditor-General has appointed me, Elaine Yong, using the staff and resources of RSM Hayes Audit, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 May 2022. This is the date at which our opinion is expressed.

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

Basis of 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 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 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 includes the statement of responsibility, board member list, analysis of variance, 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 Papatoetoe East Primary School.

A handwritten signature in blue ink, appearing to read 'Elaine Yong'.

Elaine Yong
RSM Hayes Audit
On behalf of the Auditor-General
Auckland, New Zealand

Analysis of variance

Papatoetoe East Primary 1427

Focus: Overall Teacher Judgements - Te Ao Maori			
Strategic Aims:			
<ul style="list-style-type: none"> All students are able to access the N.Z. Curriculum as evidence in achievement in relation to NZC Levels. Continue implementing curriculum strategic plans for all staff and BOT members including consultation with our parent community. 			
Annual Aim: 1.4 Continue monitoring of student achievement in mathematics, reading and writing. Change from National Standards to school based benchmarks.			
Baseline data from 2020: This was planned to be collected early Term 1 however due to Level 3 closure and Covid 19 being active at our neighbouring school, Papatoetoe High School, we have had significant student absence and limited teaching contact time. This will be completed as soon as possible and again as a measure late in 2021.			
2021 Target:			
<ul style="list-style-type: none"> Strengthen Te Ao Māori perspectives through engaging students and teachers in a process of review that leads to culturally responsive teaching and learning. 			
Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Collect student voice as baseline data to be used to inform planning.	2021 Results <ul style="list-style-type: none"> Student data was not collected due to March and then July onwards lockdowns. Self review was completed by an Massey University student contracted by previous Principal - refer occurred within short time frame and SMT didn't support 	Unfortunately Covid significantly impacted on the ability to robustly follow through with this target. Due to limitations of numbers and lockdowns events to promote and engage the community with te ao Maori did not take place.	Revisit schoolwide Te Ao Maori approach and conduct a more robust review. Consider implementation
Undertake a self review of current Te Ao Māori approaches and inclusion.			
Strengthen Kapa haka at our place as a means of recognising and embracing Te Ao Māori and student			

identity.	<p>some of the statement and assumptions made by the reviewer.</p> <ul style="list-style-type: none"> - Kapa Haka tutor employed and student engagement was certainly higher than previously. - No significant resource purchasing - Some annual events held, however not consistent. 		<p>for inclusion and development through Aotearoa curriculum.</p>
Strengthen resourcing to support teaching and learning.			
Strengthen community engagement.			
Ensure recognition of annual events into the school term calendars and planning.			
<p>Planning / Considerations for 2022:</p> <ul style="list-style-type: none"> ● No follow on for this target at this stage. 			

Analysis of variance

Papatoetoe East Primary 1427

Focus: Overall Teacher Judgements - Reading, Writing and Mathematics					
Strategic Aims:					
<ul style="list-style-type: none"> All students are able to access the N.Z. Curriculum as evidence in achievement in relation to NZC Levels. Continue implementing curriculum strategic plans for all staff and BOT members including consultation with our parent community. 					
Annual Aim: 1.4 Continue monitoring of student achievement in mathematics, reading and writing. Change from National Standards to school based benchmarks.					
Baseline data from 2020:					
	Year 2	Year 3	Year 4	Year 5	Year 6
End of Year Benchmark	At Level 1	Early Level 2	At Level 2	Early Level 3	At Level 3
National norm % of students working at or above benchmark at EOY	Reading - 78% Writing - 74% Mathematics - 78%	Reading - 81% Writing - 71% Mathematics - 74%	Reading - 83 % Writing - 73% Mathematics - 77%	Reading - 81% Writing - 69% Mathematics - 73%	Reading - 83% Writing - 72% Mathematics - 76%
PEP 2020 Results - Students achieving at or above					
	Year 2	Year 3	Year 4	Year 5	Year 6
EOY Benchmark	At Level 1	Early Level 2	At Level 2	Early Level 3	At Level 3
% of students working at or above benchmark EOY	R - 42.03% W - 68.12% M - 69.57%	R - 68.048% W - 51.55% M - 59.79%	R - 81.18 % W - 67.06% M - 69.41%	R - 75.68% W - 66.22% M - 67.57%	R - 69.77% W - 48.84% M - 61.63%
2021 Target:					
<ul style="list-style-type: none"> Support students in Year 2 to Year 6 to meet annual cohort targets, based on national norms, for the number of students within each cohort achieving at or above the end of year benchmark level in Reading, Writing and Mathematics 					

●			
Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Senior Management Team (SMT) to collate and analyse 2020 data, highlighting strengths, patterns of progress, trends and specific concerns for each Year level cohort in Reading, Writing and Mathematics	<p>2021 Results - no comparative data was collected</p> <p>Reboot for Literacy was initiated and led by the Senior Management team with support from Team Leaders. The PLD supported some initial work into reviewing and strengthening pedagogy and practice.</p> <p>Learner snapshots were started by Project team and will continue to be developed</p> <p>Some initial work undertaken to support NZC clarity and considering current support documentation at PEP</p>	<p>Due to Covid 19 lockdowns and poor ongoing attendance we do not have data to be able to report against this target.</p> <p>The ability for staff to meet based on Covid restrictions reduced out meeting opportunities and therefore our ability to collaboratively complete tasks such as the learner profiles</p>	<p>Collect schoolwide data as soon as practical and consider as a means to support future planning and resourcing</p> <p>Continue to strengthen teacher pedagogy and practice across the school and raise student achievement</p> <p>Undertake a robust review and PLD cycle to support classroom programmes</p>
SMT and Team Leaders to share 2020 and identify priorities for 2021 strengthened teaching and learning			
2021 REBOOT - priority given to PLD that supports staff to go back to basics and strengthen classroom programmes			
Develop Learner Snapshots to support teachers clarity of curriculum levels and indicators of student achievement within each.			
Teaching teams to work collaboratively to identify priorities specific to their teaching level and consider implications for 2021 programme			
Establish team related inquiry and target tracking sheet to record professional discussion and interventions related to necessary programmes			
<p>Planning / Considerations for 2022:</p> <ul style="list-style-type: none"> ● Continue to strengthen teacher pedagogy and practice through specific targeted PLD - external providers to be sourced 			

Kiwisport Statement 2021

Another year has passed and we have again, as a New Zealand state school, enjoyed the support of Kiwisport funding of \$7,957.72. With our extensive programme of sport and PE in the school this funding has been extremely helpful. At PEP we have invested our Kiwisport funding into several key areas. They are:

- Sport and PE equipment: \$2,298.35
- Transport for sports teams and outdoor education activities: \$2,012.74
- Membership in the Papatoetoe Sports Cluster: \$300
- EOTC Extra Curriculum : \$3208.37

Field days that our students have participated in are: swimming, playball, cricket, rugby, soccer, netball, touch, rugby, gymnastics, cross country and athletics.