

PARAPARAUMU BEACH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



Principal:	Jess Ward
Ministry Number:	2948
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Accountant / Service Provider:	Accounting For Schools Limited

PARAPARAUMU BEACH SCHOOL

Annual Report - For the year ended 31 December 2021

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PARAPARAUMU BEACH 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.

Zoe Ngata Pearson

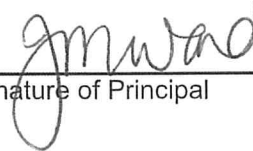
Full Name of Presiding Member

Jessica Mary Ward

Full Name of Principal



Signature of Presiding Member



Signature of Principal

2 September 2022

Date:

2-9-22

Date:

PARAPARAUMU BEACH 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	4,126,223	4,314,827	4,335,734
Locally Raised Funds	3	190,055	67,400	159,699
Interest Earned		2,930	5,000	6,508
		<u>4,319,208</u>	<u>4,387,227</u>	<u>4,501,941</u>
Expenses				
Locally Raised Funds	3	52,882	17,380	76,937
Learning Resources	4	3,456,252	3,140,200	3,183,759
Administration	5	199,809	200,600	205,175
Finance		3,773	1,000	2,888
Property	6	695,421	829,500	855,255
Depreciation	11	109,580	104,413	102,577
		<u>4,517,717</u>	<u>4,293,093</u>	<u>4,426,591</u>
Net Surplus / (Deficit) for the year		(198,509)	94,134	75,350
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(198,509)</u>	<u>94,134</u>	<u>75,350</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.

PARAPARAUMU BEACH SCHOOL
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Balance at 1 January	1,478,147	1,478,147	1,402,797
Total comprehensive revenue and expense for the year	(198,509)	94,134	75,350
Equity at 31 December	1,279,638	1,572,281	1,478,147
Retained Earnings	1,279,638	1,572,281	1,478,147
Equity at 31 December	1,279,638	1,572,281	1,478,147

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.

PARAPARAUMU BEACH 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	407,576	583,194	388,874
Accounts Receivable	8	231,476	201,000	205,173
GST Receivable		19,179	6,500	6,730
Inventories	9	5,111	5,000	5,260
Investments	10	273,696	270,000	270,729
Prepayments		6,025	10,000	12,550
		<u>943,063</u>	<u>1,075,694</u>	<u>889,316</u>
Current Liabilities				
Accounts Payable	12	334,310	236,000	232,300
Borrowings	13	8,117	-	-
Revenue Received in Advance	14	27,671	-	43,401
Provision for Cyclical Maintenance	15	29,000	44,500	35,391
Finance Lease Liability	16	28,846	18,000	16,229
Funds held for Capital Works Projects	17	89,518	-	-
		<u>517,462</u>	<u>298,500</u>	<u>327,321</u>
Working Capital Surplus/(Deficit)		425,601	777,194	561,995
Non-current Assets				
Property, Plant and Equipment	11	964,439	861,587	952,505
Funds held for Capital Works Projects	17	-	-	7,200
		<u>964,439</u>	<u>861,587</u>	<u>959,705</u>
Non-current Liabilities				
Borrowings	13	30,439	-	-
Provision for Cyclical Maintenance	15	52,000	61,500	30,170
Finance Lease Liability	16	27,963	5,000	13,383
		<u>110,402</u>	<u>66,500</u>	<u>43,553</u>
Net Assets		<u>1,279,638</u>	<u>1,572,281</u>	<u>1,478,147</u>
Equity		<u>1,279,638</u>	<u>1,572,281</u>	<u>1,478,147</u>

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

PARAPARAUMU BEACH SCHOOL

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021	2020
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash flows from Operating Activities			
Government Grants	1,040,233	1,034,827	1,051,823
Locally Raised Funds	176,257	24,931	203,132
Goods and Services Tax (net)	(12,398)	231	7,677
Payments to Employees	(717,050)	(574,870)	(649,125)
Payments to Suppliers	(505,778)	(283,312)	(378,096)
Interest Paid	(3,773)	(1,000)	(2,888)
Interest Received	3,271	5,691	8,786
Net cash from/(to) Operating Activities	(19,238)	206,498	241,309
Cash flows from Investing Activities			
Purchase of Property Plant & Equipment	(29,550)	(93,798)	(134,434)
Purchase of Investments	(2,967)	729	(8,442)
Net cash to the Investing Activities	(32,517)	(93,069)	(142,876)
Cash flows from Financing Activities			
Finance Lease Payments	(64,767)	73,691	26,720
Loans Received	38,556	-	-
Funds Administered on Behalf of Third Parties	96,718	7,200	(7,200)
Net cash from the Financing Activities	70,507	80,891	19,520
Net increase/(decrease) in cash and cash equivalents	18,752	194,320	117,953
Cash and cash equivalents at the beginning of the year	7	388,874	388,874
Cash and cash equivalents at the end of the year	7	407,576	583,194
		388,874	388,874

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.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Paraparaumu Beach 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.

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.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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.

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.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

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 comprise 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.

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

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

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10 - 50 years
Furniture and equipment	5 - 15 years
Information technology	3 - 5 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value
Textbooks	3 years

l) Impairment of property, plant, and equipment

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 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 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.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

o) Revenue Received in Advance

Revenue received in advance relates to grants received where there are unfulfilled obligations for the School to provide services in the future. The grants are recorded as revenue as the obligations are fulfilled.

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) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

r) Financial Instruments

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

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

s) 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 finance leases and term loans.

t) 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.

u) Budget Figures

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

v) 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.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	874,337	913,827	885,221
Teachers' Salaries Grants	2,637,183	2,650,000	2,651,928
Use of Land and Buildings Grants	448,807	630,000	631,983
Other MoE Grants	103,645	96,000	116,391
Other Government Grants	62,251	25,000	50,211
	4,126,223	4,314,827	4,335,734

The School is not eligible to opt into the Ministry of Education donation scheme.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Fees for Extra Curricular Activities	37,962	14,400	38,859
Donations & Bequests	92,287	25,000	48,626
Fundraising & Community Grants	53,732	25,000	65,250
Trading	3,327	-	3,159
Other Revenue	2,747	3,000	3,805
	190,055	67,400	159,699
Expenses			
Extra Curricular Activities Costs	33,636	17,380	46,070
Fundraising & Community Grant Costs	14,439	-	24,019
Trading	3,408	-	6,848
Other Expenses	1,399	-	-
	52,882	17,380	76,937
<i>Surplus for the year Locally raised funds</i>	137,173	50,020	82,762

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	204,011	62,600	57,549
Employee Benefits - Salaries	3,202,252	3,018,700	3,080,972
Information and Communication Technology	31,162	31,500	29,818
Library Resources	2,484	6,000	2,056
Staff Development	16,343	21,400	13,364
	3,456,252	3,140,200	3,183,759

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,620	4,200	4,235
Board of Trustees Fees	5,700	5,700	3,300
Board of Trustees Expenses	1,502	3,500	1,071
Communication	6,952	7,000	8,016
Consumables	14,601	17,500	25,655
Employee Benefits - Salaries	119,077	118,000	114,528
Other	30,152	25,000	29,210
Insurance	7,665	9,200	9,125
Service Providers, Contractors and Consultancy	9,540	10,500	10,035
	199,809	200,600	205,175

6. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	18,741	15,000	24,548
Cyclical Maintenance Expense	35,170	13,000	10,140
Employee Benefits - Salaries	108,321	97,500	104,759
Grounds	9,399	9,000	9,780
Heat, Light and Water	14,744	16,500	19,788
Rates	8,487	9,500	9,014
Repairs and Maintenance	42,902	32,000	35,700
Security	8,850	7,000	9,543
Use of Land and Buildings	448,807	630,000	631,983
	695,421	829,500	855,255

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

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash on Hand	500	500	550
Bank Current Account	91,472	332,694	102,018
Bank Call Account	315,604	250,000	286,306
Cash and cash equivalents for Statement of Cash Flows	<u>407,576</u>	<u>583,194</u>	<u>388,874</u>

Of the \$407,576 Cash and Cash Equivalents, \$89,518 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2022 on Crown owned school buildings under the School's Five Year Property Plan.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	1,000	1,932
Interest Receivable	350	-	691
Teacher Salaries Grant Receivable	231,126	200,000	202,550
	<u>231,476</u>	<u>201,000</u>	<u>205,173</u>
Receivables from Exchange Transactions	350	1,000	2,623
Receivables from Non-Exchange Transactions	231,126	200,000	202,550
	<u>231,476</u>	<u>201,000</u>	<u>205,173</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	5,111	5,000	5,260
	<u>5,111</u>	<u>5,000</u>	<u>5,260</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset	273,696	270,000	270,729
Short-term Bank Deposits	273,696	270,000	270,729
	<u>273,696</u>	<u>270,000</u>	<u>270,729</u>

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	543,384	40,584	-	-	(19,760)	564,208
Furniture and Equipment	335,266	18,485	-	-	(55,459)	298,292
Information Technology	330	18	-	-	(199)	149
Leased Assets	33,471	58,740	-	-	(28,886)	63,325
Library Resources	40,054	3,687	-	-	(5,276)	38,465
Balance at 31 December 2021	952,505	121,514	-	-	(109,580)	964,439

The net carrying value of equipment held under a finance lease is \$63,325 (2020: \$47,209).

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	743,733	(179,525)	564,208	703,148	(159,764)	543,384
Furniture and Equipment	580,928	(282,636)	298,292	562,443	(227,177)	335,266
Information Technology	996	(847)	149	34,199	(33,869)	330
Leased Assets	172,267	(108,942)	63,325	80,303	(46,832)	33,471
Library Resources	184,777	(146,312)	38,465	181,090	(141,036)	40,054
Balance at 31 December	1,682,701	(718,262)	964,439	1,561,183	(608,678)	952,505

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	11,427	10,000	13,880
Accruals	3,670	4,000	3,200
Banking staffing overuse	75,555	-	-
Employee Entitlements - Salaries	231,126	210,000	202,550
Employee Entitlements - Leave Accrual	12,532	12,000	12,670
	334,310	236,000	232,300
Payables for Exchange Transactions	334,310	236,000	232,300
	334,310	236,000	232,300

The carrying value of payables approximates their fair value.

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

13. Borrowings

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	8,117	-	-
Due Beyond One Year	30,439	-	-
	38,556	-	-

The school has borrowings at 31 December 2021 of \$38,556 (31 December 2020 \$0). This loan is from The Energy Efficiency and Conservation Authority for the purpose of upgrading lighting. The loan is unsecured and interest free.

14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other Revenue in Advance	27,671	-	43,401
	27,671	-	43,401

15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	65,561	65,561	55,421
Increase to the Provision During the Year	35,170	13,000	10,140
Use of the Provision During the Year	(19,731)	27,439	-
Provision at the End of the Year	81,000	106,000	65,561
Cyclical Maintenance - Current	29,000	44,500	35,391
Cyclical Maintenance - Term	52,000	61,500	30,170
	81,000	106,000	65,561

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

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:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	31,309	18,000	16,229
Later than One Year and no Later than Five Years	29,134	5,000	13,383
Future Finance Charges	(3,634)	-	-
	<u>56,809</u>	<u>23,000</u>	<u>29,612</u>
Represented by			
Finance lease liability - Current	28,846	18,000	16,229
Finance lease liability - Term	27,963	5,000	13,383
	<u>56,809</u>	<u>23,000</u>	<u>29,612</u>

17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

2021	Project Number	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
Admin Redevelopment	223940	(7,200)	25,000	(22,042)	-	(4,242)
Adventure Playground	223941	-	90,000	(95,626)	-	(5,626)
Classroom 28 & 29 Refurbishment	226269	-	-	(8,185)	-	(8,185)
Heating Upgrade	226263 & 226267	-	55,170	-	-	55,170
New Library Carpet	226268	-	20,070	-	-	20,070
SIP Carpet & Vinyl Blocks 4 & 6	230332	-	32,331	-	-	32,331
Totals		<u>(7,200)</u>	<u>222,571</u>	<u>(125,853)</u>	<u>-</u>	<u>89,518</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	107,571
Funds Due from the Ministry of Education	(18,053)
	<u>89,518</u>

2020	Project Number	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contribution \$	Closing Balances \$
5YA - Admin Development	223940	-	-	(7,200)	\$0.00	(7,200)
Totals		<u>-</u>	<u>-</u>	<u>(7,200)</u>	<u>-</u>	<u>(7,200)</u>

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

18. 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.

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	5,700	3,300
<i>Leadership Team</i> Remuneration	781,811	748,368
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	787,511	751,668

There are 7 members of the Board excluding the Principal. The Board held 11 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration	2021	2020
\$000	FTE	FTE
100 - 110	2	2
110 - 120	2	-
	4	2

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

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

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 school board, 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 2020, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

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

(i) \$250,000 contract for the Admin Development as an agent for the Ministry of Education. This project is fully funded by the Ministry. \$25,000 has been received from the Ministry, and \$29,242 has been spent on the project to date. This project has been approved by the Ministry; and

(ii) \$102,850 contract for the Adventure Playground as an agent for the Ministry of Education. This project is fully funded by the Ministry. \$90,000 has been received from the Ministry, and \$95,626 has been spent on the project to date. This project has been approved by the Ministry; and

(iii) \$55,170 contract for the Heating Upgrade as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$55,170 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(iv) \$20,070 contract for the New Library Carpet as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$20,070 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(v) \$34,679 contract for the Carpet & Vinyl Blocks 4 & 6 as an agent for the Ministry of Education. This project is fully funded by the Ministry and \$32,331 has been received of which \$0 has been spent on the project to date. This project has been approved by the Ministry; and

(Capital commitments at 31 December 2020: \$242,800)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following operating lease with Norrcom (2020: \$nil)

No later than One Year

Later than One Year and No Later than Five Years

	2021 Actual \$	2020 Actual \$
No later than One Year	7,920	-
Later than One Year and No Later than Five Years	-	-
	<u>7,920</u>	<u>-</u>

PARAPARAUMU BEACH SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2021

22. Financial Instruments

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Financial assets measured at amortised cost			
	\$	\$	\$
Cash and Cash Equivalents	407,576	583,194	388,874
Receivables	231,476	201,000	205,173
Investments - Term Deposits	273,696	270,000	270,729
Total Financial assets measured at amortised cost	912,748	1,054,194	864,776
Financial liabilities measured at amortised cost			
Payables	334,310	236,000	232,300
Borrowings - Loans	38,556	-	-
Finance Leases	56,809	23,000	29,612
Total Financial Liabilities Measured at Amortised Cost	429,675	259,000	261,912

23. Events After Balance Date

There were no significant events after balance date that have impacted 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.

PARAPARAUMU BEACH SCHOOL

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Zoe Pearson	Presiding Member	Elected June 2019	Lawyer	Sept 2022
Jess Ward	Principal	Appointed	Principal	
Pembroke Chambers	Parent Rep	Re-elected June 2019	Sport/PE Mentor	Sept 2022
James Dryburgh	Parent Rep	Elected June 2019	Military Officer	Sept 2022
Kate Fiske	Parent Rep	Elected June 2019	Business Analyst	Sept 2022
Kate Saunders	Parent Rep	Elected June 2019	Recruitment Coordinator	Resigned February 2021
Cath Franks	Staff Rep	Re-elected June 2019	Teacher	Sept 2022
Lisa Patterson	Parent Rep	Elected June 2021	Teacher	Sept 2022

PARAPARAUMU BEACH SCHOOL

Kiwisport Statement

For the year ended 31 December 2021

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$8,575 (2020: 8,650).

During 2021 all of our students were offered a range of sporting and physical education opportunities.

Kiwisport funding enabled transport to venues to be free for all participants.

With our school pool being too shallow for our Year 7/8 students to really challenge their swimming skills, funding was used to transport students to Kapiti Aquatic Centre for lessons.

On the school site students in Year 1 – 8 enjoyed dance, weekly sports, swimming (Years 1-6), athletics and Touch Rugby coaching sessions in association with Kapiti/Horowhenua Rugby.

With Touch Rugby teams, netball teams and hockey teams representing the school, Kiwisport funding also enabled us to replace tired sports equipment, buy a variety of new balls and other essential sporting items.

We are fully committed to promoting physical activity at Paraparaumu Beach School and are very pleased with the high level of student participation that we see inside and outside of school hours.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PARAPARAUMU BEACH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Paraparaumu Beach School (the School). The Auditor-General has appointed me, Glenn Fan-Robertson, using the staff and resources of BDO Manawatu, 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 Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 2 September 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

PARTNERS: Ross Hadwin Billie Stanley

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Members of the Board, Statement of Responsibility, Kiwisport Statement and Analysis of Variance, 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.



Glenn Fan-Robertson
BDO Manawatu
On behalf of the Auditor-General
Palmerston North, New Zealand