

Holy Cross School (Papatoetoe)

Annual Report for the year ended 31 December 2020

Ministry Number:	1315
Principal:	Bruce Young
School Address:	21 Carruth Road, Papatoetoe
School Postal Address:	PO Box 23033, Hunters Corner, Papatoetoe, 2155
School Phone:	09-2788224
School Email:	brucey@hcp.school.nz
Service Provider:	Edtech Financial Services Ltd

Holy Cross (Papatoetoe) School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Term expired/expires
Don Siluuga	Chairperson	Elected	May-22
Clare Mafi	Parent Rep	Elected	May-22
Grant Pritchard	Parent Rep	Elected	May-22
Salesi Lelaulu	Parent Rep	Elected	May-22
Louis Solia	Proprietor's Rep	elected	May-22
Seuma Anitelea	Parent Rep	Elected	May-22
Stephen Grey	Proprietor's Rep	Elected	May-22
Reece Autagavaia	Parent Rep	Elected	May-22
Ane Vaotuua	Proprietor's Rep	Elected	May-22
Ann O'Grady	Staff Rep	Elected	May-22
Bruce Young	Principal		

Holy Cross School (Papatoetoe)

Annual Report

For the year ended 31 December 2020

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Holy Cross School (Papatoetoe)
Statement of Responsibility
For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

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

Den Silunga

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

27/5/2021

Date:

Bruce Young

Full Name of Principal

[Signature]

Signature of Principal

27/5/2021

Date:

Holy Cross School (Papatoetoe)
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	3,939,932	3,202,000	3,661,428
Locally Raised Funds	3	126,818	165,800	257,006
Use of Proprietor's Land and Buildings		1,088,938	-	1,088,938
Interest Income		16,404	20,000	27,936
		<u>5,172,092</u>	<u>3,387,800</u>	<u>5,035,308</u>
Expenses				
Locally Raised Funds	3	134,587	145,000	184,076
Learning Resources	4	3,153,399	2,809,000	3,065,763
Administration	5	208,530	227,900	179,756
Finance		3,742	-	5,559
Property	6	1,289,630	254,300	1,365,969
Depreciation	7	164,774	200,000	154,585
Amortisation of Equitable Lease		12,006	12,006	12,006
Loss on Disposal of Property, Plant and Equipment		2,320	-	11,950
		<u>4,968,988</u>	<u>3,648,206</u>	<u>4,979,664</u>
Net Surplus / (Deficit) for the year		203,104	(260,406)	55,644
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>203,104</u></u>	<u><u>(260,406)</u></u>	<u><u>55,644</u></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.

Holy Cross School (Papatoetoe)
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Balance at 1 January		1,972,094	1,972,094	1,898,481
Total comprehensive revenue and expense for the year		203,104	(260,406)	55,644
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		18,456	-	17,969
Equity at 31 December	25	2,193,654	1,711,688	1,972,094
Retained Earnings		2,193,654	1,711,688	1,972,094
Equity at 31 December		2,193,654	1,711,688	1,972,094

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.

Holy Cross School (Papatoetoe)

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	8	1,136,676	260,243	339,650
Accounts Receivable	9	297,240	198,000	220,180
GST Receivable		32,520	18,000	17,500
Prepayments		17,988	9,000	8,508
Inventories	10	41,109	29,000	28,352
Investments	11	-	500,000	710,528
		<u>1,525,533</u>	<u>1,014,243</u>	<u>1,324,718</u>
Current Liabilities				
Accounts Payable	14	274,594	241,000	238,843
Revenue Received in Advance	15	6,669	6,000	5,778
Provision for Cyclical Maintenance	16	30,672	55,032	51,511
Painting Contract Liability - Current Portion	17	5,894	5,894	5,894
Finance Lease Liability - Current Portion	18	23,672	15,542	24,095
Funds Held on Behalf of Community of Learning Cluster	19	20,696	20,000	20,304
		<u>362,197</u>	<u>343,468</u>	<u>346,425</u>
Working Capital Surplus/(Deficit)		1,163,336	670,775	978,293
Non-current Assets				
Property, Plant and Equipment	12	914,218	887,375	835,375
Equitable Leasehold Interest	13	204,832	204,832	216,838
		<u>1,119,050</u>	<u>1,092,207</u>	<u>1,052,213</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	42,343	21,356	7,038
Painting Contract Liability	17	23,576	23,576	29,470
Finance Lease Liability	18	22,813	6,362	21,904
		<u>88,732</u>	<u>51,294</u>	<u>58,412</u>
Net Assets		<u><u>2,193,654</u></u>	<u><u>1,711,688</u></u>	<u><u>1,972,094</u></u>
Equity	25	<u><u>2,193,654</u></u>	<u><u>1,711,688</u></u>	<u><u>1,972,094</u></u>

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

Holy Cross School (Papatoetoe) Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	1,238,272	1,025,267	1,129,720
Locally Raised Funds	127,709	166,022	260,714
Goods and Services Tax (net)	(15,020)	(500)	(2,050)
Funds Administered on Behalf of Third Parties	392	(304)	(3,424)
Payments to Employees	(539,439)	(538,505)	(535,227)
Payments to Suppliers	(515,344)	(666,002)	(576,102)
Cyclical Maintenance Payments in the year	-	(13,161)	(114,494)
Interest Paid	(3,742)	-	(5,559)
Interest Received	18,798	19,237	31,351
Net cash from/(to) Operating Activities	311,626	(7,946)	184,929
Cash flows from Investing Activities			
Purchase of Property Plant & Equipment (and Intangibles)	(219,795)	(412,438)	(239,817)
Proceeds from Sale of Investments	710,528	210,528	(23,917)
Net cash from/(to) Investing Activities	490,733	(201,910)	(263,734)
Cash flows from Financing Activities			
Furniture and Equipment Grant	18,456	-	17,969
Finance Lease Payments	(17,895)	136,343	(16,944)
Painting Contract Payments	(5,894)	(5,894)	35,364
Net cash from/(to) Financing Activities	(5,333)	130,449	36,389
Net increase/(decrease) in cash and cash equivalents	797,026	(79,407)	(42,416)
Cash and cash equivalents at the beginning of the year	8 339,650	339,650	382,066
Cash and cash equivalents at the end of the year	8 1,136,676	260,243	339,650

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.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Proprietor's buildings in a good state of repair as a provision of 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 16.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

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

Interest Revenue

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

Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

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.

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.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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.

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.

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.

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.

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.

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

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the 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.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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:

Buildings	40 years
Furniture and equipment	3-18 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	over the term of the lease
Library resources	12.5% Diminishing value

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 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.

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.

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Revenue Received in Advance

Revenue received in advance relates to fees received from Attendance dues and Special Levy 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

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, 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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

2 Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,134,845	952,000	939,048
Teachers' Salaries Grants	2,646,707	2,200,000	2,548,666
Resource Teachers Learning and Behaviour Grants	4,511	5,000	9,513
Other MoE Grants	152,561	45,000	164,201
Other Government Grants	1,308	-	-
	<u>3,939,932</u>	<u>3,202,000</u>	<u>3,661,428</u>

The School has opted in to the donations scheme for this year. Total amount received was \$85,800.

Other MOE Grants total includes additional COVID-19 funding totalling \$9,760 for the year ended 31 December 2020.

3 Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	14,012	30,000	120,959
Activities	34,702	59,800	68,966
Trading	78,104	70,000	67,081
Fundraising	-	6,000	-
	<u>126,818</u>	<u>165,800</u>	<u>257,006</u>
Expenses			
Activities	49,572	61,000	111,133
Trading	85,015	72,000	72,943
Fundraising (Costs of Raising Funds)	-	12,000	-
	<u>134,587</u>	<u>145,000</u>	<u>184,076</u>
	<u>(7,769)</u>	<u>20,800</u>	<u>72,930</u>

Surplus/ (Deficit) for the year Locally Raised Funds

4 Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	79,509	121,000	69,435
Equipment Repairs	-	3,000	-
Information and Communication Technology	20,784	41,000	27,841
Extra-Curricular Activities	-	5,000	4,296
Library Resources	883	1,500	1,408
Employee Benefits - Salaries	2,993,835	2,556,000	2,901,330
Staff Development	58,388	81,500	61,453
	<u>3,153,399</u>	<u>2,809,000</u>	<u>3,065,763</u>

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

5 Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	6,576	14,000	6,074
Board of Trustees Fees	5,515	12,000	5,075
Board of Trustees Expenses	15,094	8,000	14,357
Communication	5,483	8,700	5,854
Consumables	13,138	24,600	12,258
Operating Lease	2,442	9,800	2,136
Other	22,683	35,300	23,133
Employee Benefits - Salaries	118,147	98,500	96,093
Insurance	12,300	10,000	7,768
Service Providers, Contractors and Consultancy	7,152	7,000	7,008
	<u>208,530</u>	<u>227,900</u>	<u>179,756</u>

6 Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	19,596	22,100	20,978
Consultancy and Contract Services	2,592	3,500	2,675
Cyclical Maintenance Expense	14,466	31,000	68,447
Grounds	5,712	6,200	2,617
Heat, Light and Water	31,468	52,000	39,591
Repairs and Maintenance	37,355	40,500	42,802
Use of Land and Buildings	1,088,938	-	1,088,938
Security	4,325	14,000	13,427
Employee Benefits - Salaries	85,178	85,000	86,494
	<u>1,289,630</u>	<u>254,300</u>	<u>1,365,969</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

7 Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Building Improvements - Crown	112	120	112
Furniture and Equipment	104,256	114,500	93,126
Information and Communication Technology	33,366	54,820	32,792
Leased Assets	26,275	28,590	27,533
Library Resources	765	1,970	1,022
	<u>164,774</u>	<u>200,000</u>	<u>154,585</u>

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

8 Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	1,000	1,000	1,000
Bank Current Account	116,301	9,243	47,989
Bank Call Account	121,859	80,000	121,717
Short-term Bank Deposits	897,516	170,000	168,944
Cash and cash equivalents for Statement of Cash Flows	<u>1,136,676</u>	<u>260,243</u>	<u>339,650</u>

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

Of the \$1,136,676 Cash and Cash Equivalents, \$20,696 is held by the School on behalf of the CoL cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

9 Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Interest Receivable	1,843	5,000	4,237
Bank Staffing Underuse	70,459	-	23,267
Teacher Salaries Grant Receivable	224,938	193,000	192,676
	<u>297,240</u>	<u>198,000</u>	<u>220,180</u>
Receivables from Exchange Transactions	1,843	5,000	4,237
Receivables from Non-Exchange Transactions	295,397	193,000	215,943
	<u>297,240</u>	<u>198,000</u>	<u>220,180</u>

10 Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
School Uniforms	41,109	29,000	28,352
	<u>41,109</u>	<u>29,000</u>	<u>28,352</u>

11 Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	-	500,000	710,528
Total Investments	<u>-</u>	<u>500,000</u>	<u>710,528</u>

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	3,840	-	-	-	(112)	3,728
Furniture and Equipment	685,304	65,681	-	-	(104,256)	646,729
Information and Communication Technology	96,866	152,833	-	-	(33,366)	216,333
Leased Assets	42,209	26,142	-	-	(26,275)	42,076
Library Resources	7,156	1,281	(2,320)	-	(765)	5,352
Balance at 31 December 2020	835,375	245,937	(2,320)	-	(164,774)	914,218

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	4,475	(747)	3,728
Furniture and Equipment	1,768,979	(1,122,250)	646,729
Information and Communication Technology	1,277,400	(1,061,067)	216,333
Leased Assets	186,580	(144,504)	42,076
Library Resources	15,657	(10,305)	5,352
Balance at 31 December 2020	3,253,091	(2,338,873)	914,218

The net carrying value of equipment held under a finance lease is \$42,076 (2019: \$42,209).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	3,952	-	-	-	(112)	3,840
Furniture and Equipment	547,505	230,925	-	-	(93,126)	685,304
Information and Communication Technology	123,088	6,570	-	-	(32,792)	96,866
Leased Assets	64,934	4,808	-	-	(27,533)	42,209
Library Resources	15,786	4,342	(11,950)	-	(1,022)	7,156
Balance at 31 December 2019	755,265	246,645	(11,950)	-	(154,585)	835,375

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	4,475	(635)	3,840
Furniture and Equipment	1,703,297	(1,017,993)	685,304
Information and Communication Technology	1,124,567	(1,027,701)	96,866
Leased Assets	160,438	(118,229)	42,209
Library Resources	21,274	(14,118)	7,156
Balance at 31 December 2019	3,014,051	(2,178,676)	835,375

The net carrying value of equipment held under a finance lease is \$42,209 (2018: \$64,934).

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

13 Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the Board's interest in capital works assets owned by the Proprietor but paid for in whole or part by the Board of Trustees, either from Government funding or community raised funds.

A lease between the Board and the Proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over the economic life of the capital works assets(s) involved. The interest may be realised on the sale of the capital works by the Proprietor or the closure of the school.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
The major capital works assets included in the equitable leasehold interest are:			
Building Alterations	54,831	54,831	58,486
Library Buildings	84,015	84,015	89,616
Toilet Block	65,986	65,986	68,736
	<u>204,832</u>	<u>204,832</u>	<u>216,838</u>

14 Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	8,096	16,000	15,778
Accruals	6,541	7,000	6,384
Employee Entitlements - Salaries	237,676	195,000	194,400
Employee Entitlements - Leave Accrual	22,281	23,000	22,281
	<u>274,594</u>	<u>241,000</u>	<u>238,843</u>
Payables for Exchange Transactions	274,594	241,000	238,843
	<u>274,594</u>	<u>241,000</u>	<u>238,843</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	6,669	6,000	5,778
	<u>6,669</u>	<u>6,000</u>	<u>5,778</u>

16 Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	58,549	58,549	104,596
Increase/(decrease) to the Provision During the Year	14,466	31,000	68,447
Use of the Provision During the Year	-	(13,161)	(114,494)
Provision at the End of the Year	<u>73,015</u>	<u>76,388</u>	<u>58,549</u>
Cyclical Maintenance - Current	30,672	55,032	51,511
Cyclical Maintenance - Term	42,343	21,356	7,038
	<u>73,015</u>	<u>76,388</u>	<u>58,549</u>

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

17 Painting Contract Liability

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	5,894	5,894	5,894
Non Current Liability	23,576	23,576	29,470
	<u>29,470</u>	<u>29,470</u>	<u>35,364</u>

In 2019 the Board signed an agreement with CARUS Group Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Proprietor owned buildings in 2019, with regular maintenance in subsequent years. The agreement has an annual commitment of \$5,894. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18 Finance Lease Liability

The school has entered into 10 finance lease agreements for TELA Laptops & Chromebooks & Photocopiers. Minimum lease payments payable (includes interest portion):

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	26,898	15,542	27,388
Later than One Year and no Later than Five Years	24,712	6,362	23,729
	<u>51,610</u>	<u>21,904</u>	<u>51,117</u>

19 Funds Held on Behalf of Community of Learning Cluster

Holy Cross (Papatoetoe) School is the lead school and holds the funds on behalf of the CoL cluster, a group of schools funded by the Ministry of Education for CoL meeting and traveling.

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held at Beginning of the Year	20,304	20,304	23,728
Funds Received from Cluster Members	3,023	9,000	8,657
Funds Spent on Behalf of the Cluster	2,631	9,304	12,081
Funds Held at Year End	<u>20,696</u>	<u>20,000</u>	<u>20,304</u>

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets			
Cash at bank	20,696	20,000	20,304
Current Liabilities			
Operating Creditors	20,696	20,000	20,304
Equity	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

20 Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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.

The Proprietor of the School (Catholic Diocese of Auckland) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects funds on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1. The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$69,207 (2019: \$71,438). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$6,669 (2019: \$5,728).

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

21 Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	5,515	5,075
Full-time equivalent members	0.13	0.09
<i>Leadership Team</i>		
Remuneration	400,651	395,984
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	406,166	401,059
Total full-time equivalent personnel	3.13	3.09

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-180	170-180
Benefits and Other Emoluments	20-25	20-30
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
120-130	1	-
110-120	-	1
100-110	2	2
	2	3

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

22 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

23 Contingencies

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

(Contingent liabilities and assets as at 31 December 2019: nil)

Holidays Act Compliance – schools payroll

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

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

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

Holy Cross School (Papatoetoe)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2020

24 Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2019: nil)

(b) Operating Commitments

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

- Painting contract

	2020 Actual \$	2019 Actual \$
No later than One Year	5,894	5,894
Later than One Year and No Later than Five Years	23,576	29,470
Later than Five Years	-	-
	<u>29,470</u>	<u>35,364</u>

25 Managing Capital

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

26 Financial Instruments

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	1,136,676	260,243	339,650
Receivables	297,240	198,000	220,180
Investments - Term Deposits	-	500,000	710,528
Total Financial assets measured at amortised cost	<u>1,433,916</u>	<u>958,243</u>	<u>1,270,358</u>
Financial liabilities measured at amortised cost			
Payables	274,594	241,000	238,843
Finance Leases	46,485	21,904	45,999
Painting Contract Liability	29,470	29,470	35,364
Total Financial Liabilities Measured at Amortised Cost	<u>350,549</u>	<u>292,374</u>	<u>320,206</u>

27 Events After Balance Date

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

28 Comparatives

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF HOLY CROSS SCHOOL (PAPATOETOE)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 27 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report, Principal's report and KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Melissa Youngson

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand