

KATIKATI COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 117

Principal: Louise Buckley

School Address: Beach Road

School Postal Address: Beach Road, Katikati, 3129

School Phone: 07 549 0434

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Accountant / Service Provider:

Education  *Services.*
Dedicated to your school

KATIKATI COLLEGE

Annual Report - For the year ended 31 December 2021

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Katikati College

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.

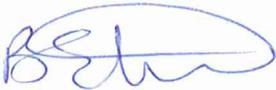
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

Bobbette Tanner
Full Name of Presiding Member

LOUISE BOCKNEY
Full Name of Principal


Signature of Presiding Member


Signature of Principal

11/5/22
Date:

12/5/22
Date:

Katikati College
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	8,369,450	8,382,562	8,690,034
Locally Raised Funds	3	723,838	284,383	552,768
Interest Income		845	9,700	9,604
Gain on Sale of Property, Plant and Equipment		81	-	1,150
International Students	4	13,130	16,828	88,973
		<u>9,107,344</u>	<u>8,693,473</u>	<u>9,342,529</u>
Expenses				
Locally Raised Funds	3	268,917	86,900	202,045
International Students	4	3,290	2,000	128,125
Learning Resources	5	6,189,722	5,799,172	6,049,537
Administration	6	613,145	497,547	654,546
Finance		2,872	1,571	4,464
Property	7	1,646,002	2,095,208	2,053,228
Depreciation	12	229,585	205,000	215,580
Impairment of Inventories		-	-	3,999
		<u>8,953,533</u>	<u>8,687,398</u>	<u>9,311,524</u>
Net Surplus / (Deficit) for the year		153,811	6,075	31,005
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>153,811</u>	<u>6,075</u>	<u>31,005</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.



Katikati College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		1,528,372	1,452,734	1,497,367
Total comprehensive revenue and expense for the year		153,811	6,075	31,005
Capital Contributions from the Ministry of Education				
Equity at 31 December		1,682,183	1,458,809	1,528,372
Retained Earnings		1,682,183	1,458,809	1,528,372
Equity at 31 December		1,682,183	1,458,809	1,528,372

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.

Katikati College Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	8	670,880	707,054	668,504
Accounts Receivable	9	441,663	485,398	397,295
GST Receivable		48,978	29,438	70,685
Prepayments		25,983	-	5,949
Inventories	10	1,801	8,468	5,605
Investments	11	50,000	-	50,000
Funds owed for Capital Works Projects	18	-	-	4,083
Katikati Transport Group		333,208	279,023	315,941
		<u>1,572,513</u>	<u>1,509,381</u>	<u>1,518,062</u>
Current Liabilities				
Accounts Payable	13	491,803	526,513	693,482
Revenue Received in Advance	14	72,099	142,076	67,630
Provision for Cyclical Maintenance	15	32,537	87,500	55,220
Finance Lease Liability	16	43,379	24,000	34,817
Funds held in Trust	17	16,644	133,135	37,206
Funds held for Capital Works Projects	18	36,339	-	-
Funds Held on Behalf of Katikati Transport Group	19	386,049	279,023	355,215
		<u>1,078,850</u>	<u>1,192,247</u>	<u>1,243,570</u>
Working Capital Surplus/(Deficit)		493,663	317,134	274,492
Non-current Assets				
Property, Plant and Equipment	12	1,374,637	1,301,154	1,446,181
Work in Progress		62,118	-	-
		<u>1,436,755</u>	<u>1,301,154</u>	<u>1,446,181</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	168,424	92,046	139,358
Finance Lease Liability	16	79,811	67,433	52,943
		<u>248,235</u>	<u>159,479</u>	<u>192,301</u>
Net Assets		<u>1,682,183</u>	<u>1,458,809</u>	<u>1,528,372</u>
Equity		<u>1,682,183</u>	<u>1,458,809</u>	<u>1,528,372</u>

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



Katikati College
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		2,061,069	2,009,638	2,667,264
Locally Raised Funds		748,129	90,863	536,555
International Students		(35,959)	16,828	32,673
Goods and Services Tax (net)		21,707	-	(41,247)
Payments to Employees		(1,422,949)	(1,151,973)	(1,450,613)
Payments to Suppliers		(1,089,681)	(307,342)	(1,502,035)
Interest Paid		(2,872)	(1,571)	(4,464)
Interest Received		1,356	9,700	9,093
Net cash from/(to) Operating Activities		280,800	666,143	247,226
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(198,204)	(100,000)	(28,699)
Proceeds from Sale of Investments		-	-	250,000
Net cash from/(to) Investing Activities		(198,204)	(100,000)	221,301
Cash flows from Financing Activities				
Finance Lease Payments		(29,075)	(33,448)	(28,249)
Funds Administered on Behalf of Third Parties		(51,145)	-	52,424
Net cash from/(to) Financing Activities		(80,220)	(33,448)	24,175
Net increase/(decrease) in cash and cash equivalents		2,376	532,695	492,702
Cash and cash equivalents at the beginning of the year	8	668,504	174,359	175,802
Cash and cash equivalents at the end of the year	8	670,880	707,054	668,504

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.



Katikati College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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



e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment are depreciated over their estimated useful lives on a straight line 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	40 years
Furniture and Equipment	3-10 years
Information and Communication Technology	2-5 years
Textbooks	2-4 years
Library Resources	12.5% DV
Leased assets held under a Finance Lease	Term of Lease



k) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

l) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

o) Revenue Received in Advance

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

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

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

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

q) Shared Funds

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

r) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

s) Financial Instruments

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

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

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

t) Borrowings

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

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

u) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

v) Budget Figures

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

w) Services received in-kind

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



2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,833,051	1,931,335	1,922,090
Teachers' Salaries Grants	4,899,135	4,810,067	4,849,253
Use of Land and Buildings Grants	1,137,284	1,562,857	1,538,239
Other MoE Grants	405,641	23,720	294,735
Transport grants	39,756	-	36,919
Other Government Grants	54,583	54,583	48,798
	<u>8,369,450</u>	<u>8,382,562</u>	<u>8,690,034</u>

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	16,620	15,000	33,634
Fees for Extra Curricular Activities	125,636	4,200	89,603
Trading	115,276	68,500	88,097
Fundraising & Community Grants	182,250	12,000	27,786
Other Revenue	284,056	184,683	313,648
	<u>723,838</u>	<u>284,383</u>	<u>552,768</u>
Expenses			
Extra Curricular Activities Costs	130,768	11,000	80,862
Trading	133,205	72,400	107,372
Fundraising & Community Grant Costs	805	-	8,888
Other Locally Raised Funds Expenditure	4,139	3,500	4,923
	<u>268,917</u>	<u>86,900</u>	<u>202,045</u>
<i>Surplus for the year Locally raised funds</i>	<u>454,921</u>	<u>197,483</u>	<u>350,723</u>

4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	1	1	9
Revenue			
International Student Fees	13,130	16,828	88,973
Expenses			
Student Recruitment	2,957	2,000	22,204
Employee Benefit - Salaries	-	-	83,779
Other Expenses	333	-	22,142
	<u>3,290</u>	<u>2,000</u>	<u>128,125</u>
<i>Surplus/(Deficit) for the year International Students</i>	<u>9,840</u>	<u>14,828</u>	<u>(39,152)</u>



5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	245,255	261,472	272,153
Employee Benefits - Salaries	5,865,018	5,424,750	5,694,964
Staff Development	17,112	30,000	10,883
Information And Communication Technology	62,337	82,950	71,537
	6,189,722	5,799,172	6,049,537

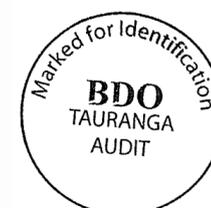
6. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	9,465	7,500	6,520
Board Fees	2,835	4,520	3,850
Board Expenses	11,565	1,550	769
Intervention Costs & Expenses	103,599	-	33,208
Communication	8,814	7,000	9,715
Consumables	4,964	8,500	6,687
Operating Lease	8,435	8,000	8,473
Legal Fees	47,940	20,000	35,946
Other	91,156	111,800	212,173
Employee Benefits - Salaries	279,611	280,577	315,578
Insurance	15,895	21,000	6,628
Service Providers, Contractors and Consultancy	28,866	27,100	14,999
	613,145	497,547	654,546

7. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	25,973	26,000	25,882
Cyclical Maintenance Provision	34,772	42,610	54,520
Grounds	14,200	15,000	12,703
Heat, Light and Water	86,685	90,400	83,560
Rates	25,290	25,128	25,128
Repairs and Maintenance	46,124	56,500	35,113
Use of Land and Buildings	1,137,284	1,562,857	1,538,239
Security	14,979	20,000	15,872
Employee Benefits - Salaries	260,695	256,713	262,211
	1,646,002	2,095,208	2,053,228

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.



8. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	670,880	707,054	668,504
Cash and cash equivalents for Statement of Cash Flows	670,880	707,054	668,504

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

Of the \$670,880 Cash and Cash Equivalents \$63,296 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

9. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	37,216	-	13,249
Receivables from the Ministry of Education	21,857	-	-
Interest Receivable	-	-	511
Teacher Salaries Grant Receivable	382,590	485,398	383,535
	441,663	485,398	397,295
Receivables from Exchange Transactions	59,073	-	13,760
Receivables from Non-Exchange Transactions	382,590	485,398	383,535
	441,663	485,398	397,295

10. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	1,354	8,468	1,413
Uniform	-	-	4,000
Canteen	447	-	192
	1,801	8,468	5,605

11. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	50,000	-	50,000
Total Investments	50,000	-	50,000



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	889,584	-	-	-	(33,905)	855,679
Furniture and Equipment	326,368	51,201	-	-	(83,024)	294,545
Information and Communication Technology	97,678	22,585	-	-	(53,606)	66,657
Textbooks	9,174	2,627	-	-	(3,274)	8,527
Leased Assets	87,150	77,663	(186)	-	(50,290)	114,337
Library Resources	36,227	4,151	-	-	(5,486)	34,892
Balance at 31 December 2021	1,446,181	158,227	(186)	-	(229,585)	1,374,637

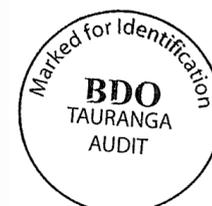
The net carrying value of equipment held under a finance lease is \$114,337 (2020: \$87,150)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,418,183	(562,504)	855,679	1,418,183	(528,599)	889,584
Furniture and Equipment	1,930,619	(1,636,074)	294,545	1,879,419	(1,553,051)	326,368
Information and Communication Technology	1,970,816	(1,904,159)	66,657	1,948,232	(1,850,554)	97,678
Textbooks	218,894	(210,367)	8,527	216,267	(207,093)	9,174
Leased Assets	248,366	(134,029)	114,337	171,678	(84,528)	87,150
Library Resources	126,024	(91,132)	34,892	121,873	(85,646)	36,227
Balance at 31 December	5,912,902	(4,538,265)	1,374,637	5,755,652	(4,309,471)	1,446,181

13. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	65,205	41,115	238,368
Accruals	6,321	-	4,420
Banking Staffing Overuse	-	-	21,415
Employee Entitlements - Salaries	382,590	485,398	383,535
Employee Entitlements - Leave Accrual	37,687	-	45,744
	491,803	526,513	693,482
Payables for Exchange Transactions	491,803	526,513	693,482
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	491,803	526,513	693,482

The carrying value of payables approximates their fair value.



14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue Received In Advance	43,115	142,076	18,541
Intl Students Revenue In Advance	28,984	-	49,089
	72,099	142,076	67,630

15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	194,578	136,936	173,291
Increase to the Provision During the Year	42,284	42,610	42,610
Adjustment to the Provision	(7,512)	-	11,910
Use of the Provision During the Year	(28,389)	-	(33,233)
Provision at the End of the Year	200,961	179,546	194,578
Cyclical Maintenance - Current	32,537	87,500	55,220
Cyclical Maintenance - Term	168,424	92,046	139,358
	200,961	179,546	194,578

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	46,700	24,000	36,506
Later than One Year and no Later than Five Years	81,911	67,433	53,540
Future finance charges	(5,421)	-	(2,286)
	123,190	91,433	87,760

Represented by

Finance lease liability - Current	43,379	24,000	34,817
Finance lease liability - Term	79,811	67,433	52,943
	123,190	91,433	87,760

17. Funds held in Trust

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	16,644	133,135	37,206
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	16,644	133,135	37,206

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

18. Funds Held (Owed) 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 No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Revamp Classrooms	213585	25,781	-	(25,781)	-	-
Technology Block Part2	222997	(29,864)	937,750	(886,405)	-	21,481
SIP - Hall, Admin & Sick Bay Refurbishment	222999	-	-	(26,957)	-	(26,957)
B, H, Q Toilet upgrades	222991	-	63,900	(22,085)	-	41,815
Totals		(4,083)	1,001,650	(961,228)	-	36,339

Represented by:

Funds Held on Behalf of the Ministry of Education	63,296
Funds Due from the Ministry of Education	(26,957)
Totals	36,339

2020	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Technology Block		2,400	-	(2,400)	-	-
Toilet Block		7,193	-	(7,193)	-	-
Revamp Classrooms	213585	2,381	23,400	-	-	25,781
Technology Block Part2	222997	(34,247)	252,400	(248,017)	-	(29,864)
Library Refurbishment		17,704	5,300	(23,004)	-	-
Demolition of Classrooms		1,862	-	(1,862)	-	-
Insurance Block J: Maths Water Cylinder Leak		-	2,968	(2,968)	-	-
Totals		(2,707)	284,068	(285,444)	-	(4,083)

19. Funds Held on Behalf of Katikati Transport Group

Katikati College is the lead school and holds funds on behalf of the Transport Group, a group of schools funded by the Ministry of Education to provide school transportation services.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	355,215	279,023	303,924
Funds Received from MoE	626,790	-	603,643
Funds Spent on Behalf of the Cluster Disbursements	(554,003) (41,953)	-	(552,352) -
Funds Held at Year End			
Katikati College	333,208	-	315,941
Katikati Primary School	52,841	-	39,274
Funds Held at Year End	<u>386,049</u>	<u>279,023</u>	<u>355,215</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	386,049	355,215
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Current Liabilities

Operating Creditors	19,467	704
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Amounts distributed to Katikati College	333,208	315,941
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Equity	52,841	39,274
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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.

21. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	2,835	3,850
<i>Leadership Team</i> Remuneration	1,849,520	1,534,485
Full-time equivalent members	17.15	13.89
Total key management personnel remuneration	1,852,355	1,538,335

There are 8 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (0 members) and Property (0 members) that met 0 and 0 times respectively. 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 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	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 \$000	2021 FTE Number	2020 FTE Number
100 - 110	12.00	9.00
110 - 120	1.00	2.00
120 - 130	2.00	1.00
140 - 150	1.00	-
	16.00	12.00

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

22. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total Number of People	-	-

23. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

24. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

\$1,314,571 contract for the Technology Block Part2 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$1,273,525 has been received of which \$1,252,044 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$400,000 contract for the SIP - Hall, Admin & Sick Bay Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$26,957 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$71,839 contract for the B,H,Q Toilet upgrades as agent for the Ministry of Education. This project is fully funded by the Ministry and \$63,900 has been received of which \$22,085 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

\$49,662 contract for the Revamp Classrooms as agent for the Ministry of Education. This project is fully funded by the Ministry and \$71,500 has been received of which \$45,719 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

25. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	670,880	707,054	668,504
Receivables	441,663	485,398	397,295
Investments - Term Deposits	50,000	-	50,000
Total Financial assets measured at amortised cost	<u>1,162,543</u>	<u>1,192,452</u>	<u>1,115,799</u>

Financial liabilities measured at amortised cost

Payables	491,803	526,513	693,482
Finance Leases	123,190	91,433	87,760
Total Financial Liabilities Measured at Amortised Cost	<u>614,993</u>	<u>617,946</u>	<u>781,242</u>

26. Events After Balance Date

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

27. Comparatives

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

28. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.



Katikati College

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Bobbette Tanner	Presiding Member	Elected	Sep 2022
Carolyn Pentecost	Principal		Feb 2021
Louise Buckley	Acting Principal	Appointed	
Wendy A'Bear	Parent Representative	Elected	Sep 2022
Sara Elliott-Warren	Parent Representative	Elected	Sep 2022
Dave Freeman	Parent Representative	Elected	Sep 2022
Valarie Uilou	Parent Representative	Elected	Sep 2022
Lisa Corbett	Staff Representative	Elected	Sep 2022
Shawn Gielen	Limited Statutory Manager	Appointed	
Sofia House	Student Representative	Elected	Nov 2021
Shaan Kingi	Other	Co-opted	Sep 2022



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New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KATIKATI COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Katikati College (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, 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 21, 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 23 May 2022. This is the date at which our opinion is expressed.

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

Basis 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.

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Jenny Lee CA
Paul Manning CA

Janine Hellyer CA

ASSOCIATE: Michael Lim CA

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Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

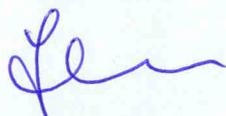
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand