

DEVON INTERMEDIATE

Annual Report - For the year ended 31 December 2021

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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.

Nicola Dale Marsh

Full Name of Presiding Member



Signature of Presiding Member

31 May 2022

Date:

Jennifer Kay Gellen

Full Name of Principal



Signature of Principal

31 May 2022

Date:

Devon Intermediate

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		909,398	699,714	703,894
Total comprehensive revenue and expense for the year		227,655	(10,133)	186,416
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		19,500	20,000	19,088
Equity at 31 December		1,156,553	709,581	909,398
Retained Earnings		1,156,553	709,581	909,398
Equity at 31 December		1,156,553	709,581	909,398

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.

Devon Intermediate
Statement of Cash Flows
For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,025,037	983,070	983,194
Locally Raised Funds		141,003	69,565	111,582
Goods and Services Tax (net)		3,247	-	24,031
Payments to Employees		(498,250)	(535,000)	(516,439)
Payments to Suppliers		(339,793)	(441,312)	(456,438)
Interest Paid		(2,923)	(829)	(2,564)
Interest Received		6,380	11,000	12,650
Net cash from/(to) Operating Activities		334,701	86,494	156,016
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(93,949)	(115,000)	(113,317)
Purchase of Investments		(880,300)	-	(280,000)
Proceeds from Sale of Investments		270,000	-	160,000
Net cash from/(to) Investing Activities		(704,249)	(115,000)	(233,317)
Cash flows from Financing Activities				
Furniture and Equipment Grant		19,500	20,000	19,088
Finance Lease Payments		(12,469)	(17,987)	(14,655)
Funds Administered on Behalf of Third Parties		384,176	-	196,760
Net cash from/(to) Financing Activities		391,207	2,013	201,193
Net increase/(decrease) in cash and cash equivalents		21,659	(26,493)	123,892
Cash and cash equivalents at the beginning of the year	7	198,359	74,467	74,467
Cash and cash equivalents at the end of the year	7	220,018	47,974	198,359

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.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

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.

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	837,894	835,093	822,322
Teachers' Salaries Grants	2,035,499	1,674,358	1,915,058
Use of Land and Buildings Grants	638,362	784,277	816,369
Other MoE Grants	550,080	147,977	217,189
Other Government Grants	-	-	12,311
	<u>4,061,835</u>	<u>3,441,705</u>	<u>3,783,249</u>

The school has opted in to the donations scheme for this year. Total amount received was \$65,250.

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	5,965	1,000	12,151
Fees for Extra Curricular Activities	67,865	36,165	54,085
Trading	958	500	648
Fundraising & Community Grants	63,291	43,300	74,960
	<u>138,079</u>	<u>80,965</u>	<u>141,844</u>
Expenses			
Extra Curricular Activities Costs	62,158	55,515	38,682
Trading	661	-	1,332
Fundraising & Community Grant Costs	1,016	-	148
	<u>63,835</u>	<u>55,515</u>	<u>40,162</u>
<i>Surplus for the year Locally raised funds</i>	<u>74,244</u>	<u>25,450</u>	<u>101,682</u>

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	37,051	64,850	36,937
Employee Benefits - Salaries	2,373,194	2,050,358	2,304,308
Staff Development	12,033	23,000	21,805
	<u>2,422,278</u>	<u>2,138,208</u>	<u>2,363,050</u>

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	5,174	163	2,970
Interest Receivable	1,566	2,407	2,225
Teacher Salaries Grant Receivable	136,634	117,462	128,621
	<u>143,374</u>	<u>120,032</u>	<u>133,816</u>
Receivables from Exchange Transactions	6,740	2,570	5,195
Receivables from Non-Exchange Transactions	136,634	117,462	128,621
	<u>143,374</u>	<u>120,032</u>	<u>133,816</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Uniform	790	1,723	1,114
	<u>790</u>	<u>1,723</u>	<u>1,114</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	1,360,300	330,000	750,000
	<u>1,360,300</u>	<u>330,000</u>	<u>750,000</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	163,652	-	(565)	-	(18,365)	144,722
Furniture and Equipment	113,591	28,561	(4,615)	-	(25,216)	112,321
Information and Communication Technolog	86,648	62,167	-	-	(32,292)	116,523
Motor Vehicles	20,025	-	-	-	(10,562)	9,463
Leased Assets	14,811	29,304	-	-	(15,098)	29,017
Library Resources	21,535	4,430	-	-	(3,237)	22,728
Balance at 31 December 2021	<u>420,262</u>	<u>124,462</u>	<u>(5,180)</u>	<u>-</u>	<u>(104,770)</u>	<u>434,774</u>

The net carrying value of equipment held under a finance lease is \$29,017 (2020: \$14,811)

14. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	183,997	(7,042)	141,596
Increase to the Provision During the Year	31,299	36,874	35,735
Adjustment to the Provision	(14,895)	-	6,666
Provision at the End of the Year	<u>200,401</u>	<u>29,832</u>	<u>183,997</u>
Cyclical Maintenance - Current	152,667	29,832	153,231
Cyclical Maintenance - Term	47,734	-	30,766
	<u>200,401</u>	<u>29,832</u>	<u>183,997</u>

15. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	12,457	20,288	12,317
Later than One Year and no Later than Five Years	23,042	13,919	5,151
Future finance charges	(5,022)	-	(1,164)
	<u>30,477</u>	<u>34,207</u>	<u>16,304</u>
Represented by			
Finance lease liability - Current	10,173	20,288	11,383
Finance lease liability - Term	20,304	13,919	4,921
	<u>30,477</u>	<u>34,207</u>	<u>16,304</u>

16. 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 \$
SIP Pool Compound	226037	175,546	-	(187,681)	-	(12,135)
LSM Paint & Site Works	226232	(1,800)	73,745	(68,370)	-	3,575
Electrical & Lighting	227070	-	70,705	(70,705)	-	-
Combined 5YA Works	227067	-	570,124	(59,194)	-	510,930
Totals		<u>173,746</u>	<u>714,574</u>	<u>(385,950)</u>	<u>-</u>	<u>502,370</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	514,505
Funds Due from the Ministry of Education	(12,135)
	<u>502,370</u>

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	1.00	1.00
110 - 120	1.00	-
	<u>2.00</u>	<u>1.00</u>

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

19. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

20. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

21. Commitments

(a) Capital Commitments

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

\$210,000 contract for the SIP Pool Compound as agent for the Ministry of Education. This project is fully funded by the Ministry and \$189,000 has been received of which \$201,135 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$83,309 contract for the LSM Paint & Site Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$73,745 has been received of which \$70,170 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$727,169 contract for the Combined 5YA Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$570,124 has been received of which \$59,194 has been spent on the project to balance date. This project has been approved by the Ministry.

25. 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.

Devon Intermediate

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$5,909 (excluding GST). The funding was spent on sporting endeavours.