



TE KURA O WHARE PĀ

FERNWORTH PRIMARY SCHOOL

WHAKAPONO ♡ MANAAKITANGA

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	2117
Principal:	Alison Cook
School Address:	288 Pomona Street, Strathern, Invercargill 9812
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FERNWORTH PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2021

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Fernworth Primary School

Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

Laura Doyle
Full Name of Presiding Member

Alison Cook
Full Name of Principal

L Doyle
Signature of Presiding Member

ac
Signature of Principal

22/4/23
Date:

22/4/23
Date:

Fernworth Primary School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Laura Doyle	Presiding Member	Elected	Sep 2022
Alison Cook	Principal ex Officio		
Susan Jiwan	Parent Representative	Elected	Sep 2022
Mavis Tairea	Parent Representative	Appointed	Sep 2022
Laura Doyle	Parent Representative	Elected	Sep 2022
Sam Smith	Parent Representative	Elected	Sep 2022
Rebecca Watson	Staff Representative	Elected	Sep 2022
Harmony Smith	Parent Representative	Appointed	Sep 2022

Fernworth Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	2,591,664	2,457,170	2,698,073
Locally Raised Funds	3	50,082	48,885	42,002
Interest Income		5,474	3,500	3,863
Gain on Sale of Property, Plant and Equipment		-	-	2,475
		<u>2,647,220</u>	<u>2,509,555</u>	<u>2,746,413</u>
Expenses				
Locally Raised Funds	3	21,578	34,100	43,329
Learning Resources	4	1,656,471	1,736,407	1,655,326
Administration	5	312,032	115,225	272,618
Finance		2,657	-	4,179
Property	6	408,070	553,988	518,653
Depreciation	11	43,196	45,000	39,000
Loss on Disposal of Property, Plant and Equipment		1,321	-	-
		<u>2,445,325</u>	<u>2,484,720</u>	<u>2,533,105</u>
Net Surplus / (Deficit) for the year		201,895	24,835	213,308
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>201,895</u></u>	<u><u>24,835</u></u>	<u><u>213,308</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.



Fernworth Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		424,161	424,161	201,836
Total comprehensive revenue and expense for the year		201,895	24,835	213,308
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	9,017
Equity at 31 December		626,056	448,996	424,161
Retained Earnings		626,056	448,996	424,161
Equity at 31 December		626,056	448,996	424,161

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.



Fernworth Primary School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	529,562	589,754	519,917
Accounts Receivable	8	112,296	440,903	440,903
GST Receivable		14,711	-	-
Prepayments		17,936	10,585	10,585
Inventories	9	-	3,441	3,441
Investments	10	350,199	-	-
		<u>1,024,704</u>	<u>1,044,683</u>	<u>974,846</u>
Current Liabilities				
GST Payable		-	27,905	27,905
Accounts Payable	12	172,296	234,397	234,397
Provision for Cyclical Maintenance	13	69,867	91,984	54,017
Finance Lease Liability	14	19,480	17,975	17,975
Funds held for Capital Works Projects	15	205,432	241,154	241,154
Funds Held on Behalf of the RTLit Cluster	16	9,984	7,978	7,978
		<u>477,059</u>	<u>621,393</u>	<u>583,426</u>
Working Capital Surplus/(Deficit)		547,645	423,290	391,420
Non-current Assets				
Property, Plant and Equipment	11	181,716	124,933	149,935
		<u>181,716</u>	<u>124,933</u>	<u>149,935</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	87,900	83,422	101,389
Finance Lease Liability	14	15,405	15,805	15,805
		<u>103,305</u>	<u>99,227</u>	<u>117,194</u>
Net Assets		<u>626,056</u>	<u>448,996</u>	<u>424,161</u>
Equity		<u>626,056</u>	<u>448,996</u>	<u>424,161</u>

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



Fernworth Primary School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		719,156	608,000	864,341
Locally Raised Funds		112,973	48,885	(290,812)
Goods and Services Tax (net)		(42,616)	-	22,440
Payments to Employees		(231,677)	(202,700)	(206,554)
Payments to Suppliers		(419,695)	(367,850)	(357,345)
Interest Received		4,328	3,500	4,187
Net cash from/(to) Operating Activities		142,469	89,835	36,257
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	2,475
Purchase of Property Plant & Equipment (and Intangibles)		(53,267)	(19,998)	(81,229)
Purchase of Investments		(350,199)	-	87,657
Proceeds from Sale of Investments		-	-	-
Net cash from/(to) Investing Activities		(403,466)	(19,998)	8,903
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	9,017
Finance Lease Payments		(17,652)	-	(20,896)
Funds Administered on Behalf of Third Parties		288,294	-	177,371
Net cash from/(to) Financing Activities		270,642	-	165,492
Net increase/(decrease) in cash and cash equivalents		9,645	69,837	210,652
Cash and cash equivalents at the beginning of the year	7	519,917	519,917	309,265
Cash and cash equivalents at the end of the year	7	529,562	589,754	519,917

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.



Fernworth Primary School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

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

1.2. 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 13.

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.



1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.8. 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.

1.9. 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.

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

The estimated useful lives of the assets are:

Building improvements – Crown	5-40 years
Office Furniture and equipment	2-22 years
Information and communication technology	2-22 years
Other Equipment	5-15 years
School Furniture & Equipment	2-10 years
Special Needs Equipment	2-5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value



1.11. 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 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.

1.12. 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.

1.13. 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 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.

1.14. 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 international students, should the School be unable to provide the services to which they relate.

1.15. 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.

1.16. 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.



1.17. 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.

1.18. 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, painting contract liability and finance lease liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

1.19. 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.

1.20. 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.

1.21. Budget Figures

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

1.22. 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	553,698	509,000	569,399
Teachers' Salaries Grants	1,412,815	1,487,682	1,482,554
Use of Land and Buildings Grants	242,495	361,488	361,488
Other MoE Grants	154,751	99,000	133,784
School Lunch Programme	212,621	-	144,975
Other Government Grants	15,284	-	5,873
	<u>2,591,664</u>	<u>2,457,170</u>	<u>2,698,073</u>

The School has opted in to the donations scheme for this year. Total amount received was \$36,750 (2020: \$41,550).

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	8,274	10,885	11,879
Fees for Extra Curricular Activities	897	10,200	1,913
Trading	9,863	22,800	22,033
Fundraising & Community Grants	28,844	2,000	820
Other Revenue	2,204	3,000	5,357
	<u>50,082</u>	<u>48,885</u>	<u>42,002</u>
Expenses			
Extra Curricular Activities Costs	2,196	10,800	13,213
Trading	18,878	22,800	29,255
Fundraising & Community Grant Costs	504	500	861
	<u>21,578</u>	<u>34,100</u>	<u>43,329</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>28,504</u>	<u>14,785</u>	<u>(1,327)</u>

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	84,920	95,000	60,496
Information and Communication Technology	7,342	32,725	4,645
Library Resources	126	5,000	26
Employee Benefits - Salaries	1,555,145	1,580,682	1,584,399
Staff Development	8,938	23,000	5,760
	<u>1,656,471</u>	<u>1,736,407</u>	<u>1,655,326</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,443	4,700	4,536
Board Fees	1,735	2,475	2,680
Board Expenses	10,665	15,500	24,157
School Lunch Programme	212,621	-	144,975
Communication	5,875	5,700	5,387
Consumables	14,220	17,600	15,979
Other	7,245	6,350	16,328
Employee Benefits - Salaries	40,898	50,700	46,689
Insurance	6,810	6,000	5,695
Service Providers, Contractors and Consultancy	6,520	6,200	6,192
	<u>312,032</u>	<u>115,225</u>	<u>272,618</u>



6. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,337	5,500	27,953
Consultancy and Contract Services	45,017	20,000	-
Cyclical Maintenance Provision	2,361	20,000	(11,326)
Grounds	8,498	8,000	9,925
Heat, Light and Water	36,244	39,000	35,375
Rates	3,354	6,000	5,926
Repairs and Maintenance	28,668	33,000	23,950
Use of Land and Buildings	242,495	361,488	361,488
Security	1,839	2,000	1,924
Employee Benefits - Salaries	33,257	59,000	63,438
	<u>408,070</u>	<u>553,988</u>	<u>518,653</u>

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.

7. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	529,562	500,011	430,175
Short-term Bank Deposits	-	89,743	89,742
Cash and cash equivalents for Statement of Cash Flows	<u>529,562</u>	<u>589,754</u>	<u>519,917</u>

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

Of the \$529,562 Cash and Cash Equivalents, \$239,185 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.

Of the \$529,562 Cash and Cash Equivalents, \$9,984 is held by the School on behalf of the RLit cluster. See note 16 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	334,655	334,655
Interest Receivable	1,163	17	17
Banking Staffing Underuse	10,025	-	-
Teacher Salaries Grant Receivable	101,108	106,231	106,231
	<u>112,296</u>	<u>440,903</u>	<u>440,903</u>
Receivables from Exchange Transactions	1,163	334,672	334,672
Receivables from Non-Exchange Transactions	111,133	106,231	106,231
	<u>112,296</u>	<u>440,903</u>	<u>440,903</u>

9. Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	-	3,441	3,441
	<u>-</u>	<u>3,441</u>	<u>3,441</u>

10. Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	350,199	-	-
Total Investments	<u>350,199</u>	<u>-</u>	<u>-</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	22,741	1,054	-	-	(3,037)	20,758
Furniture and Equipment	54,144	21,980	-	-	(9,025)	67,099
Information and Communication Technology	31,619	17,375	-	-	(11,001)	37,993
Leased Assets	32,270	20,677	-	-	(18,972)	33,975
Library Resources	9,161	1,447	(1,321)	-	(1,161)	8,126
Work in Progress	-	13,765	-	-	-	13,765
Balance at 31 December 2021	149,935	76,298	(1,321)	-	(43,196)	181,716

The net carrying value of equipment held under a finance lease is \$33,975 (2020: \$32,270)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	201,163	(180,405)	20,758	200,109	(177,368)	22,741
Furniture and Equipment	538,283	(471,184)	67,099	516,303	(462,159)	54,144
Information and Communication Technology	121,220	(83,227)	37,993	103,845	(72,226)	31,619
Leased Assets	64,578	(30,603)	33,975	75,573	(43,303)	32,270
Library Resources	52,305	(44,179)	8,126	59,427	(50,266)	9,161
Work in Progress	13,765	-	13,765	-	-	-
Balance at 31 December	991,314	(809,598)	181,716	955,257	(805,322)	149,935

12. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	44,718	109,436	109,436
Accruals	17,443	4,536	4,536
Employee Entitlements - Salaries	105,629	109,795	109,795
Employee Entitlements - Leave Accrual	4,506	10,630	10,630
	172,296	234,397	234,397
Payables for Exchange Transactions	172,296	234,397	234,397
	172,296	234,397	234,397

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	155,406	155,406	168,832
Increase/ (decrease) to the Provision During the Year	27,866	20,000	27,993
Adjustment to the Provision	(25,505)	-	(39,319)
Use of the Provision During the Year	-	-	(2,100)
Provision at the End of the Year	157,767	175,406	155,406
Cyclical Maintenance - Current	69,867	91,984	54,017
Cyclical Maintenance - Term	87,900	83,422	101,389
	157,767	175,406	155,406



14. 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	21,305	20,302	20,302
Later than One Year and no Later than Five Years	16,201	16,828	16,828
Future Finance Charges	(2,621)	(3,350)	(3,350)
	<u>34,885</u>	<u>33,780</u>	<u>33,780</u>
Represented by:			
Finance lease liability - Current	19,480	17,975	17,975
Finance lease liability - Term	15,405	15,805	15,805
	<u>34,885</u>	<u>33,780</u>	<u>33,780</u>

15. Funds Held for Capital Works Projects

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

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
G Block project - project 214361	2,210	-	-	-	2,210
Security upgrade - project 216473	(2,101)	4,610	(2,509)	-	-
Blk B Reinstatement of pipework - project 224168	(2,825)	2,825	-	-	-
Admin security upgrade and sitewide fire alarm upgrade	239,769	195,596	(462,278)	-	(26,913)
D,J,K & L Veranda (Pending) - project 216485	4,101	-	(7,700)	-	(3,599)
SIP B Block Remodel, Block L Windows/Door Project # 228630	-	250,000	(16,887)	-	233,113
Block J Remodel (Create Flexible Learning Spaces) Project # 228630	-	-	(3,241)	-	(3,241)
Learning Support Gate modifications Project # 233274	-	5,000	(1,138)	-	3,862
Totals	<u>241,154</u>	<u>458,031</u>	<u>(493,753)</u>	<u>-</u>	<u>205,432</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	239,185
Funds Due from the Ministry of Education	(33,753)
	<u>205,432</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
G Block project - project 214361	19,723	-	(17,513)	-	2,210
Security upgrade - project 216473	47,209	-	(49,310)	-	(2,101)
LSC A Block refurbishment	-	19,551	(19,551)	-	-
Blk B Reinstatement of pipework - project 224168	-	14,421	(17,246)	-	(2,825)
Admin security upgrade and sitewide fire alarm upgrade	-	291,400	(51,631)	-	239,769
D,J,K & L Veranda (Pending) - project 216485	-	21,764	(17,663)	-	4,101
Totals	<u>66,932</u>	<u>347,136</u>	<u>(172,914)</u>	<u>-</u>	<u>241,154</u>

16. Funds Held on Behalf of the RTLit Cluster

Fernworth Primary School was the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	7,978	7,978	4,829
Funds Received from Cluster Members	-	-	5
Funds Received from MoE	15,931	-	15,678
Funds Spent on Behalf of the Cluster	(13,925)	-	(12,534)
Funds Held at Year End	<u>9,984</u>	<u>7,978</u>	<u>7,978</u>



17. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Acting Principal, Deputy Principal, Assistant Principal, Junior Leader, Senior Leader & PB4L Leader.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	1,735	2,680
<i>Leadership Team</i>		
Remuneration	308,906	409,633
Full-time equivalent members	2.00	3.00
Total key management personnel remuneration	310,641	412,313

There are 7 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. The Board also has Finance 2 members and Property 2 members that meet as required respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	200-210
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	0 - 0	0 - 0

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	2.00
	1.00	2.00

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 trustees, committee member, 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 the following contract agreements for capital works.

(a) The School has contracted for an Admin security upgrade and sitewide fire alarm upgrade to Type 4. The total cost of the project is estimated to be \$541,106. The project is fully funded by the Ministry. An amount of \$486,996 has been received of which \$513,909 has been spent on the project to balance date.

(b) The School has contracted for a Classroom Remodel & Window Replacement project. The total cost of the project is estimated to be \$320,075. The project is fully funded by the Ministry. An amount of \$250,000 has been received of which \$16,887 has been spent on the project to balance date.

(c) The School has contracted for Block J Remodel to create flexible learning spaces. The total cost of the project is estimated to be \$300,000. The project is fully funded by the Ministry. No MOE funds had been received by balance date, and \$3,241 has been spent on the project to balance date.

(d) The School has contracted to Modify The Learning Support Gate. The total cost of the project is estimated to be \$8,700. The project is fully funded by the Ministry. An amount of \$5,000 has been received of which \$1,138 has been spent on the project to balance date.

(e) G Block project with \$20,821 received while \$18,611 has been spent to balance date.

(Capital commitments in relation to Ministry projects at 31 December 2020: \$241,154)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

22. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	529,562	589,754	519,917
Receivables	112,296	440,903	440,903
Investments - Term Deposits	350,199	-	-
Total Financial assets measured at amortised cost	<u>992,057</u>	<u>1,030,657</u>	<u>960,820</u>

Financial liabilities measured at amortised cost

Payables	172,296	234,397	234,397
Finance Leases	34,885	33,780	33,780
Total Financial liabilities measured at amortised Cost	<u>207,181</u>	<u>268,177</u>	<u>268,177</u>

23. Events After Balance Date

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

24. Comparatives

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



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.



Fernworth Primary (2117) Analysis of Variance 2021

Strategic Aim

Strategic Aim 1: Give all students the opportunity to achieve success in literacy and numeracy

Target

70% of students will meet school expectations for phonological knowledge and spelling skills

Actions

We began the year doing a new spelling testing system to give us data that could inform teaching programmes by highlighting gaps in knowledge and skill rather than just what words could be correctly spelt. This gave us focussed picture of what needed to be targeted in classrooms. Teacher collaboratively analysed this to set goals across the school of what we are expecting by the end of the year.

The spelling expectations that were set had implications for reading and writing teaching.

Input into reviewing and adapting teaching programmes:

- Work with the RTLit and RTLb including observations, feedback, checking of paperwork, goal setting for students etc. This was individualised for teachers based on their needs, and those of their learners
- Year 0/1 classroom teachers worked closely with the RTLit to develop a programme to help students get a solid foundation with sound knowledge.
- Spelling teaching guidelines developed and introduced to staff
- Phonics packs used across classrooms to meet learner's needs.
- Phonics packs used by support staff with small groups of students needing support.
- Phonics Packs used with ESOL groups.
- Parent volunteers using phonics packs with small groups of senior students who had 'gaps'
- RTLit working with targeted year 2/3 learners on sound work.
- Sound work that met the spelling plan for the term included in home lockdown packs.
- Practice test run early in Term 3 to evaluate progress and programmes.
- Regular staff meetings modelling how to incorporate spelling teaching into literacy programmes.
- Intervention with the RTLit and RTLb services to increase effectiveness and consistency in teacher practice – observations, feedback, support with programmes, classroom environments, teaching tools etc
- Spelling planners written to be used across the school along with expectations for spelling teaching, suggested learning and teaching sequences/ activities. These have been reviewed and revised to be used going forward
- Phonological awareness was identified as an issue so a school phonics programme was written as packs to be used by teachers, support staff, volunteers or whānau at home.

Outcomes/ Reasons for Variance

We have 50% of students achieving where we would like with phonics and spelling skills.

The target **has not been met.**

When we did the detailed testing and collated it in March, we had less than 25% of students where we would like them to be. Teachers have had a lot of 'backfilling' to do, particularly further up the school. There has been intensive revisiting and analysis of this as we have gone, and we knew that 70% was looking too far to reach in a year.

There is some variance among classes which shows us that practice makes a difference, and that we have the capacity to support those that need it going forward. The second detailed analysis was at the end of term 2 when we set very specific plans - the timing of the lockdown following this slowed progress unfortunately.

Evaluation/ Where to now?

**FERNWORTH PRIMARY SCHOOL
KIWISPORT
2021**

In 2021 the school received Kiwisport funding of \$3,522.73 excluding GST (2020 \$3,482).

All children were given the opportunity to participate in organised sport. Sports on offer were: Touch, Miniball, Netball, Swimming.

We have been promoting sports skills through an initiative of Mau Rakau.

The funding was spent on sports gear and support for individuals to participate.