

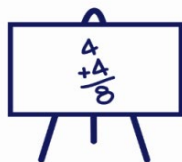
# FAITH CITY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

<b>Ministry Number:</b>	422
<b>Principal:</b>	Marty Bullock
<b>School Address:</b>	127 Springvale Rd, Whanganui
<b>School Postal Address:</b>	127 Springvale Rd, Whanganui
<b>School Phone:</b>	06 345 7737
<b>School Email:</b>	<a href="mailto:admin@faithcity.school.nz">admin@faithcity.school.nz</a>
<b>Accountant / Service Provider:</b>	



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# FAITH CITY SCHOOL

Annual Report - For the year ended 31 December 2020

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# Faith City School

## Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

Benjamin BROUGHTON  
Full Name of Board Chairperson

  
Signature of Board Chairperson

31 May 2021

Date:

Martin Anthony Ballack  
Full Name of Principal

  
Signature of Principal

31 May 2021

Date:

# Faith City School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	1,056,089	971,000	972,837
Locally Raised Funds	3	22,245	7,000	40,567
Use of Proprietor's Land and Buildings		155,925	157,000	155,925
Interest income		67	500	14
		<u>1,234,326</u>	<u>1,135,500</u>	<u>1,169,343</u>
<b>Expenses</b>				
Locally Raised Funds	3	13,257	13,400	24,304
Learning Resources	4	799,646	788,500	819,894
Administration	5	80,824	90,300	87,857
Finance		954	-	488
Property	6	210,439	216,200	211,771
Depreciation	7	16,292	21,300	18,773
		<u>1,121,412</u>	<u>1,129,700</u>	<u>1,163,087</u>
<b>Net Surplus / (Deficit) for the year</b>		112,914	5,800	6,256
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>112,914</u>	<u>5,800</u>	<u>6,256</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.

# Faith City School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		33,243	33,243	26,987
Total comprehensive revenue and expense for the year		112,914	5,800	6,256
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	19	146,157	39,043	33,243
Retained Earnings		146,157	39,043	33,243
Reserves		-	-	-
<b>Equity at 31 December</b>		146,157	39,043	33,243

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.

# Faith City School

## Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	125,697	24,935	19,834
Accounts Receivable	9	57,802	45,000	45,074
GST Receivable		2,657	2,997	2,997
Prepayments		-	5,218	5,218
		<u>186,156</u>	<u>78,150</u>	<u>73,123</u>
<b>Current Liabilities</b>				
Accounts Payable	11	75,697	65,000	67,098
Provision for Cyclical Maintenance	12	5,225	-	2,475
Finance Lease Liability - Current Portion	13	5,820	7,090	7,090
		<u>86,742</u>	<u>72,090</u>	<u>76,663</u>
<b>Working Capital Surplus/(Deficit)</b>		99,414	6,060	(3,540)
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	52,593	42,381	49,681
		<u>52,593</u>	<u>42,381</u>	<u>49,681</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	-	8,000	4,000
Finance Lease Liability	13	5,850	1,398	8,898
		<u>5,850</u>	<u>9,398</u>	<u>12,898</u>
<b>Net Assets</b>		<u>146,157</u>	<u>39,043</u>	<u>33,243</u>
<b>Equity</b>	19	<u>146,157</u>	<u>39,043</u>	<u>33,243</u>

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

# Faith City School

## Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		375,130	321,000	310,496
Locally Raised Funds		13,085	7,000	41,366
Goods and Services Tax (net)		(304)	-	(1,189)
Payments to Employees		(165,136)	(149,000)	(167,666)
Payments to Suppliers		(103,714)	(150,424)	(152,111)
Cyclical Maintenance Payments in the year		-	(2,475)	
Interest Paid		(954)	-	(488)
Interest Received		67	500	14
Net cash from/(to) Operating Activities		118,174	26,601	30,422
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(4,424)	(14,000)	(14,875)
Net cash from/(to) Investing Activities		(4,424)	(14,000)	(14,875)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(7,887)	(7,500)	(6,247)
Net cash from/(to) Financing Activities		(7,887)	(7,500)	(6,247)
<b>Net increase/(decrease) in cash and cash equivalents</b>		105,863	5,101	9,300
Cash and cash equivalents at the beginning of the year	8	19,834	19,834	10,534
<b>Cash and cash equivalents at the end of the year</b>	8	125,697	24,935	19,834

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.

# Faith City School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Faith City 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 of Trustees (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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

###### **Basis of Preparation**

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

###### **Financial Reporting Standards Applied**

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

###### **PBE Accounting Standards Reduced Disclosure Regime**

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

###### **Measurement Base**

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

###### **Presentation Currency**

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

###### **Specific Accounting Policies**

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

###### **Critical Accounting Estimates And Assumptions**

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

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

#### *Cyclical maintenance*

A school recognises its obligation to maintain the 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 12.

#### *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 10.

#### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

#### **Other Grants**

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

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

### **d) Use of Land and Buildings Expense**

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

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

#### **g) Cash and Cash Equivalents**

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

#### **h) Accounts Receivable**

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

#### **i) 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 to Crown Owned Assets	20–50 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) 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.

#### **k) 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.

#### **l) Employee Entitlements**

##### *Short-term employee entitlements*

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

##### *Long-term employee entitlements*

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

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

#### **m) Provision for Cyclical Maintenance**

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

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

#### **n) 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.

#### **o) 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.

**p) Budget Figures**

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

**q) 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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	304,259	275,000	246,280
Teachers' Salaries Grants	679,552	650,000	659,610
Resource Teachers Learning and Behaviour Grants	-	-	2,643
Other MoE Grants	59,487	43,000	60,959
Other Government Grants	12,791	3,000	3,345
	<b>1,056,089</b>	<b>971,000</b>	<b>972,837</b>

The school has opted in to the donations scheme for this year. Total amount received was \$20,400.

Other MOE Grants total includes additional COVID-19 funding totalling \$6,344 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	9,701	500	4,452
Bequests & Grants	-	-	1,000
Activities	6,155	3,000	25,025
Trading	3,405	3,000	7,152
Fundraising	470	-	1,310
Other Revenue	2,514	500	1,628
	<b>22,245</b>	<b>7,000</b>	<b>40,567</b>
<b>Expenses</b>			
Activities	5,594	7,900	11,302
Trading	6,106	3,000	12,098
Fundraising (Costs of Raising Funds)	470	-	904
Other Locally Raised Funds Expenditure	1,087	2,500	-
	<b>13,257</b>	<b>13,400</b>	<b>24,304</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>8,988</b>	<b>(6,400)</b>	<b>16,263</b>

## 4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	25,468	42,100	34,431
Extra-Curricular Activities	5,605	5,000	17,179
Employee Benefits - Salaries	766,536	732,000	764,418
Staff Development	2,037	9,400	3,866
	<b>799,646</b>	<b>788,500</b>	<b>819,894</b>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,804	4,000	3,887
Board of Trustees Fees	3,220	3,000	3,550
Board of Trustees Expenses	215	1,500	1,335
Communication	3,380	6,000	5,126
Consumables	4,050	6,000	2,483
Operating Lease	1,141	6,000	2,522
Other	18,974	24,300	30,147
Employee Benefits - Salaries	36,599	32,000	31,683
Insurance	2,341	2,400	2,324
Service Providers, Contractors and Consultancy	5,100	5,100	4,800
	<b>80,824</b>	<b>90,300</b>	<b>87,857</b>

## 6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	3,087	6,000	6,668
Cyclical Maintenance Provision	(1,250)	4,000	975
Grounds	688	1,000	67
Heat, Light and Water	7,963	10,000	9,674
Repairs and Maintenance	3,639	3,200	4,136
Use of Land and Buildings	155,925	157,000	155,925
Security	132	-	-
Employee Benefits - Salaries	40,255	35,000	34,326
	<b>210,439</b>	<b>216,200</b>	<b>211,771</b>

The use of land and buildings figure represents 8% 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. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings	312	600	598
Furniture and Equipment	3,005	3,300	3,478
Information and Communication Technology	7,440	9,200	8,945
Leased Assets	4,881	7,500	5,004
Library Resources	654	700	748
	<b>16,292</b>	<b>21,300</b>	<b>18,773</b>

## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	126,312	24,935	20,090
Westpac Visa	(615)	-	(256)
Cash and cash equivalents for Statement of Cash Flows	<u>125,697</u>	<u>24,935</u>	<u>19,834</u>

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

## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Teacher Salaries Grant Receivable	57,802	45,000	45,074
	<u>57,802</u>	<u>45,000</u>	<u>45,074</u>
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	57,802	45,000	45,074
	<u>57,802</u>	<u>45,000</u>	<u>45,074</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2020</b>						
Building Improvements	2,380	-	-	-	(312)	<b>2,068</b>
Furniture and Equipment	8,507	1,604	-	-	(3,005)	<b>7,106</b>
Information and Communication Technology	20,725	11,980	-	-	(7,440)	<b>25,265</b>
Leased Assets	12,829	5,620	-	-	(4,881)	<b>13,568</b>
Library Resources	5,240	-	-	-	(654)	<b>4,586</b>
<b>Balance at 31 December 2020</b>	<u>49,681</u>	<u>19,204</u>	<u>-</u>	<u>-</u>	<u>(16,292)</u>	<u><b>52,593</b></u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Building Improvements	15,884	(13,816)	<b>2,068</b>
Furniture and Equipment	41,037	(33,931)	<b>7,106</b>
Information and Communication Technology	72,903	(47,638)	<b>25,265</b>
Leased Assets	27,918	(14,350)	<b>13,568</b>
Library Resources	28,346	(23,760)	<b>4,586</b>
<b>Balance at 31 December 2020</b>	<b>186,088</b>	<b>(133,495)</b>	<b>52,593</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	2,978	-	-	-	(598)	<b>2,380</b>
Furniture and Equipment	9,834	2,151	-	-	(3,478)	<b>8,507</b>
Information and Communication Technology	16,946	12,724	-	-	(8,945)	<b>20,725</b>
Leased Assets	12,118	5,715	-	-	(5,004)	<b>12,829</b>
Library Resources	5,988	-	-	-	(748)	<b>5,240</b>
<b>Balance at 31 December 2019</b>	<b>47,864</b>	<b>20,590</b>	<b>-</b>	<b>-</b>	<b>(18,773)</b>	<b>49,681</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	15,884	(13,504)	<b>2,380</b>
Furniture and Equipment	39,433	(30,926)	<b>8,507</b>
Information and Communication Technology	83,708	(62,983)	<b>20,725</b>
Leased Assets	28,206	(15,377)	<b>12,829</b>
Library Resources	28,346	(23,106)	<b>5,240</b>
<b>Balance at 31 December 2019</b>	<b>195,577</b>	<b>(145,896)</b>	<b>49,681</b>

## 11. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	6,264	10,000	13,002
Accruals	3,400	10,000	3,304
Banking Staffing Overuse	6,962	-	3,151
Employee Entitlements - Salaries	57,802	45,000	45,074
Employee Entitlements - Leave Accrual	1,269	-	2,567
	<u>75,697</u>	<u>65,000</u>	<u>67,098</u>
Payables for Exchange Transactions	75,697	65,000	67,098
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>75,697</u>	<u>65,000</u>	<u>67,098</u>

The carrying value of payables approximates their fair value.

## 12. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	6,475	6,475	5,500
Increase/ (decrease) to the Provision During the Year	(1,250)	4,000	975
Use of the Provision During the Year	-	(2,475)	-
Provision at the End of the Year	<u>5,225</u>	<u>8,000</u>	<u>6,475</u>
Cyclical Maintenance - Current	5,225	-	2,475
Cyclical Maintenance - Term	-	8,000	4,000
	<u>5,225</u>	<u>8,000</u>	<u>6,475</u>

## 13. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	5,820	7,090	7,090
Later than One Year and no Later than Five Years	5,850	1,398	8,898
Later than Five Years	-	-	-
	<u>11,670</u>	<u>8,488</u>	<u>15,988</u>

## 14. Related Party Transactions

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

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

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

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

## 15. Remuneration

### *Key management personnel compensation*

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,220	3,550
Full-time equivalent members	0.15	0.19
<i>Leadership Team</i>		
Remuneration	119,757	192,918
Full-time equivalent members	1.00	1.74
Total key management personnel remuneration	122,977	196,468
Total full-time equivalent personnel	1.15	1.93

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

### *Principal 1*

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

	<b>2020 Actual \$000</b>	<b>2019 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	90-100
Benefits and Other Emoluments	3-4	1-2
Termination Benefits	-	-
Salary and Other Payments	-	25-30
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

#### *Other Employees*

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

<b>Remuneration \$000</b>	<b>2020 FTE Number</b>	<b>2019 FTE Number</b>
0	0.00	0.00
	0.00	0.00

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

## **16. 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:

	<b>2020 Actual</b>	<b>2019 Actual</b>
Total	-	-
Number of People	-	-

## **17. Contingencies**

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2020** (Contingent liabilities and assets at **31 December 2019**: nil).

#### *Holidays Act Compliance – schools payroll*

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

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

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

## 18. Commitments

### (a) Capital Commitments

Capital commitments at 31 December 2020: Nil

(Capital commitments at 31 December 2019: Nil)

### (b) Operating Commitments

As at 31 December 2020 there are no operating commitments. (2019: Nil)

## 19. Managing Capital

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

## 20. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	125,697	24,935	19,834
Receivables	57,802	45,000	45,074
Total Financial assets measured at amortised cost	183,499	69,935	64,908

### Financial liabilities measured at amortised cost

Payables	75,697	65,000	67,098
Finance Leases	11,670	8,488	15,988
Total Financial Liabilities Measured at Amortised Cost	87,367	73,488	83,086

## 21. Events After Balance Date

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF FAITH CITY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Faith City School (the School). The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board 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.



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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.



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- 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 arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises Board of Trustees schedule included under the School Directory page and the Analysis of Variance, Kiwisport statement included as appendices, 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.



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

**Cameron Town**  
**Silks Audit Chartered Accountants Ltd**  
**Whanganui, New Zealand**

**Date: 31 May 2021**



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