

# DE LA SALLE COLLEGE

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



De La Salle College

Since 1953 | Catholic School for Boys in the Lasallian tradition

# DE LA SALLE COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

<b>Ministry Number:</b>	94
<b>Principal:</b>	Myles Hogarty
<b>School Address:</b>	81 Gray Avenue, Mangere East, Auckland 2024
<b>School Postal Address:</b>	P O Box 86001, Mangere East, Auckland 2158
<b>School Phone:</b>	09 276 4319
<b>School Email:</b>	admin@delasalle.school.nz

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Falaniko Tominiko	Presiding Member	Re-elected	Jun-22
Myles Hogarty	Principal	ex Officio	
Br Pat Lunch	Proprietors Representative	Appointed	Jun-22
Anne-Marie Tauilili-Lia	Parent Representative	Re-elected	Jun-22
Losalia Paulo	Parent Representative	Re-elected	Jun-22
Lisa Amoa	Parent Representative	Re-elected	Jun-22
Joe Anne Tongotea	Proprietors Representative	Co-Opted	Jun-22
Steve Paea	Parent Representative	Co-Opted	Jun-22
Imeleta Faumuina	Parent Representative	Elected	Jun-22
Lee Bosson	Parent Representative	Co-Opted	Jun-22
Jessie Phillips	Staff Representative	Elected	Jun-22
Jarren Iuvale	Student Rep	Elected	Nov-21

#### Accountant / Service Provider:



#### Auditor:

Deloitte

# DE LA SALLE COLLEGE

Annual Report - For the year ended 31 December 2021

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# De La Salle College

## Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

Joe Anne Tanoptea  
Full Name of Presiding Member

[Signature]  
Signature of Presiding Member

3rd June 2022.  
Date:

MYLES HOGARTY  
Full Name of Principal

[Signature]  
Signature of Principal

3-6-2022.  
Date:

# De La Salle College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	9,561,967	9,036,868	8,944,010
Locally Raised Funds	3	540,365	177,000	535,708
Use of Proprietor's Land and Buildings		1,979,901	1,979,901	3,167,841
Interest Income		19,801	35,350	39,035
International Students	4	8,445	10,000	8,132
		12,110,479	11,239,119	12,694,726
<b>Expenses</b>				
Locally Raised Funds	3	302,782	99,700	343,536
International Students	4	373	-	201
Learning Resources	5	7,422,543	7,892,560	7,289,567
Administration	6	1,121,597	617,784	513,620
Finance		27,878	-	15,517
Property	7	2,410,390	2,833,525	3,853,608
Depreciation	12	331,427	300,000	264,558
Loss on Disposal of Property, Plant and Equipment		3,116	-	1,442
Amortisation of Intangible Assets	13	9,439	-	9,439
		11,629,545	11,743,569	12,291,488
<b>Net Surplus / (Deficit) for the year</b>		480,934	(504,450)	403,238
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		480,934	(504,450)	403,238

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

# De La Salle College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		2,266,530	2,266,530	1,827,650
Total comprehensive revenue and expense for the year		480,934	(504,450)	403,238
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		37,154	-	35,642
<b>Equity at 31 December</b>		2,784,618	1,762,080	2,266,530

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.



# De La Salle College

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	367,539	463,960	811,194
Accounts Receivable	9	598,723	557,109	557,109
GST Receivable		17,382	35,200	35,200
Prepayments		7,673	6,313	6,313
Inventories	10	154,544	112,786	112,786
Investments	11	2,422,884	1,613,236	1,613,236
		3,568,745	2,788,604	3,135,838
<b>Current Liabilities</b>				
Accounts Payable	14	1,131,899	1,043,047	1,043,047
Revenue Received in Advance	15	94,110	79,804	79,804
Provision for Cyclical Maintenance	16	43,470	181,600	181,600
Finance Lease Liability	17	125,097	122,367	124,230
Funds held in Trust	18	87,072	45,067	45,067
		1,481,648	1,471,885	1,473,748
<b>Working Capital Surplus/(Deficit)</b>		2,087,097	1,316,719	1,662,090
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	868,447	493,000	946,607
Intangible Assets	13	141,590	141,590	151,029
		1,010,037	634,590	1,097,636
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	194,213	76,790	258,390
Finance Lease Liability	17	118,303	112,439	234,806
		312,516	189,229	493,196
<b>Net Assets</b>		2,784,618	1,762,080	2,266,530
<b>Equity</b>		2,784,618	1,762,080	2,266,530

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

# De La Salle College

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		3,365,027	2,695,609	3,548,158
Locally Raised Funds		555,827	211,871	555,579
International Students		8,445	10,000	8,132
Goods and Services Tax (net)		17,818	(100)	(100)
Payments to Employees		(1,375,047)	(1,260,451)	(1,689,258)
Payments to Suppliers		(1,904,987)	(1,718,394)	(1,546,983)
Interest Paid		(27,878)	-	(15,517)
Interest Received		19,648	46,541	50,226
Net cash from/(to) Operating Activities		658,853	(14,924)	910,237
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(247,529)	(379,369)	(204,721)
Purchase of Investments		(809,648)	(113,236)	(17,457)
Net cash from/(to) Investing Activities		(1,057,177)	(492,605)	(222,178)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		37,154	-	35,642
Finance Lease Payments		(124,490)	166,476	(66,187)
Painting contract payments		-	-	(10,854)
Funds Administered on Behalf of Third Parties		42,005	(6,181)	(6,181)
Net cash from/(to) Financing Activities		(45,331)	160,295	(47,580)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(443,655)</b>	<b>(347,234)</b>	<b>640,479</b>
Cash and cash equivalents at the beginning of the year	8	811,194	811,194	170,715
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>367,539</b>	<b>463,960</b>	<b>811,194</b>

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.



# De La Salle College

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

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

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

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

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

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

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

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

###### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

###### *Useful lives of property, plant and equipment*

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



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

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

#### ***Classification of leases***

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

#### ***Recognition of grants***

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

### **c) Revenue Recognition**

#### ***Government Grants***

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

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

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

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

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

#### ***Other Grants***

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

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

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

#### ***Interest Revenue***

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

### **d) 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.

### **e) 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.

### **f) 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.

### **g) 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.

#### **h) 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.

#### **i) Property, Plant and Equipment**

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

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

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

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:

Buildings (Volleyball Court)	40 years
Electrical Equipment	5 years
Furniture	5 - 10 years
Music Equipment	7 years
Plant & Machinery	7 years
Science Equipment	7 years
Software	5 years
Sports Equipment	7 - 10 years
Motor vehicles	8 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **j) Intangible Assets**

##### **Software costs**

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

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



**k) 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.

**l) 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.

**m) Employee Entitlements*****Short-term employee entitlements***

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

***Long-term employee entitlements***

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

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

**n) 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.

**o) 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.

**p) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

**q) 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.

**r) 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.

**s) 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.

**t) Budget Figures**

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

**u) 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	2,689,585	2,535,302	2,797,440
Teachers' Salaries Grants	5,828,128	6,157,806	5,557,887
Other MoE Grants	743,563	79,000	133,348
Other Government Grants	300,691	264,760	455,335
	<u>9,561,967</u>	<u>9,036,868</u>	<u>8,944,010</u>

The school has not opted in to the donations scheme for this year.

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Donations & Bequests	148,259	140,000	207,308
Fees for Extra Curricular Activities	122,828	10,000	97,102
Trading	231,013	22,000	170,139
Fundraising & Community Grants	-	-	3,857
Other Revenue	38,265	5,000	57,302
	<u>540,365</u>	<u>177,000</u>	<u>535,708</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	162,502	99,700	217,040
Trading	132,280	-	126,496
Fundraising and Community Grant Costs	8,000	-	-
	<u>302,782</u>	<u>99,700</u>	<u>343,536</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>237,583</u>	<u>77,300</u>	<u>192,172</u>

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	1	1	1
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
International Student Fees	8,445	10,000	8,132
<b>Expenses</b>			
Other Expenses	373	-	201
	<u>373</u>	<u>-</u>	<u>201</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>8,072</u>	<u>10,000</u>	<u>7,931</u>

## 5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	309,419	359,700	338,752
Equipment Repairs	71	-	2,286
Information and Communication Technology	140,731	296,500	236,888
Library Resources	648	2,000	2,067
Employee Benefits - Salaries	6,924,746	7,170,560	6,672,166
Staff Development	46,928	63,800	37,408
	<u>7,422,543</u>	<u>7,892,560</u>	<u>7,289,567</u>

## 6. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	13,407	16,000	11,658
Board Fees	7,574	10,000	6,581
Board Expenses	1,443	11,000	3,869
Communication	21,090	50,000	25,377
Consumables	(10,909)	27,500	(14,699)
Other	610,142	54,000	51,978
Employee Benefits - Salaries	462,730	431,284	415,372
Insurance	7,010	10,000	7,309
Service Providers, Contractors and Consultancy	9,110	8,000	6,175
	<u>1,121,597</u>	<u>617,784</u>	<u>513,620</u>

## 7. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	162,612	152,350	142,229
Consultancy and Contract Services	944	-	12,886
Cyclical Maintenance Provision	(190,487)	124,500	96,196
Grounds	51,107	47,500	13,639
Heat, Light and Water	137,129	175,000	118,315
Repairs and Maintenance	64,370	170,310	125,781
Use of Land and Buildings	1,979,901	1,979,901	3,167,841
Security	11,308	12,000	7,051
Employee Benefits - Salaries	193,506	171,964	169,670
	<u>2,410,390</u>	<u>2,833,525</u>	<u>3,853,608</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.

## 8. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Bank Accounts	\$ 367,539	\$ 63,020	\$ 410,254
Short-term Bank Deposits	-	400,940	400,940
Cash and cash equivalents for Statement of Cash Flows	<u>367,539</u>	<u>463,960</u>	<u>811,194</u>

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

## 9. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Receivables	\$ 46,500	\$ 47,656	\$ 47,656
Receivables from the Ministry of Education	23,324	-	-
Interest Receivable	8,113	7,960	7,960
Teacher Salaries Grant Receivable	520,786	501,493	501,493
	<u>598,723</u>	<u>557,109</u>	<u>557,109</u>
Receivables from Exchange Transactions	54,613	55,616	55,616
Receivables from Non-Exchange Transactions	544,110	501,493	501,493
	<u>598,723</u>	<u>557,109</u>	<u>557,109</u>

## 10. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
School Uniforms	\$ 154,544	\$ 112,786	\$ 112,786
	<u>154,544</u>	<u>112,786</u>	<u>112,786</u>

## 11. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Current Asset	\$	\$	\$
Short-term Bank Deposits	2,422,884	1,613,236	1,613,236
Total Investments	<u>2,422,884</u>	<u>1,613,236</u>	<u>1,613,236</u>



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Furniture and Equipment	125,988	58,095			(35,393)	148,690
Information and Communication T	125,514	122,066			(98,447)	149,133
Motor Vehicles	635	54,435			(9,707)	45,363
Musical equipment	2,510				(524)	1,986
Plant & equipment	55,350				(9,594)	45,756
Sports and minor equipment	102,531	9,822			(28,978)	83,375
Grounds Equipment & Developme	138,626				(4,282)	134,344
Textbooks	18,299	1,316			(11,570)	8,045
Leased Assets	355,492	8,854			(130,389)	233,957
Library Resources	21,662	1,795	(3,116)		(2,543)	17,798
<b>Balance at 31 December 2021</b>	<b>946,607</b>	<b>256,383</b>	<b>(3,116)</b>	<b>-</b>	<b>(331,427)</b>	<b>868,447</b>

The net carrying value of equipment held under a finance lease is \$233,957 (2020: \$355,492)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	1,029,134	(880,444)	148,690	971,040	(845,052)	125,988
Information and Communication T	1,230,916	(1,081,783)	149,133	1,108,850	(983,336)	125,514
Motor Vehicles	131,682	(86,319)	45,363	77,247	(76,612)	635
Musical equipment	54,263	(52,277)	1,986	54,263	(51,753)	2,510
Plant & equipment	343,877	(298,121)	45,756	343,877	(288,527)	55,350
Science equipment	38,945	(38,945)	-	38,945	(38,945)	-
Sports and minor equipment	531,136	(447,761)	83,375	521,314	(418,783)	102,531
Grounds Equipment & Developme	148,606	(14,262)	134,344	148,606	(9,980)	138,626
Textbooks	454,572	(446,527)	8,045	453,256	(434,957)	18,299
Leased Assets	417,390	(183,433)	233,957	473,527	(118,035)	355,492
Library Resources	49,600	(31,802)	17,798	55,839	(34,177)	21,662
<b>Balance at 31 December</b>	<b>4,430,121</b>	<b>(3,561,674)</b>	<b>868,447</b>	<b>4,246,764</b>	<b>(3,300,157)</b>	<b>946,607</b>

### 13. Equitable Leasehold Interest

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

A lease between the board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of works assets. The equitable leasehold interest is amortised over 29 years based on the economic life of the capital works asset's involved. The interest may be realised on the sale of the capital works by the proprietor of the closure of the school

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
The major capital works assets included in the equitable lease interest are:			
Funds Held at Beginning of the Year	151,029	151,029	160,468
Less: Amortisation of equitable lease	(9,439)	(9,439)	(9,439)
Funds Held at Year End	141,590	141,590	151,029

The Board of Trustees received \$341,000 from the Catholic Development Fund as part of a historic loan to fund the construction of the School Administration Block. The Board entered an agreement to repay the principal and interest on the borrowed funds. As at 31 December 2021, the outstanding amount to be repaid was \$114,085. As stated in Schedule 6, clause 34 of the Education and Training Act 2020, the Proprietor can request the parents of students to make regular financial contributions to the proprietor for buildings that are associated with the school. In line with the Act, the Board of Trustees intends to use the voluntary building contributions provided by parents to service the debt repayments in relation to the School Administration Block.

### 14. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	136,194	100,295	100,295
Accruals	15,418	14,077	14,077
Banking Staffing Overuse	329,678	345,488	345,488
Employee Entitlements - Salaries	579,585	542,529	542,529
Employee Entitlements - Leave Accrual	71,024	40,658	40,658
	1,131,899	1,043,047	1,043,047
Payables for Exchange Transactions	1,131,899	1,043,047	1,043,047
	1,131,899	1,043,047	1,043,047

The carrying value of payables approximates their fair value.

### 15. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other revenue in Advance	94,110	79,804	79,804
	94,110	79,804	79,804



## 16. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	439,990	439,990	428,750
Increase/ (decrease) to the Provision During the Year	(190,487)	124,500	96,196
Use of the Provision During the Year	(11,820)	(306,100)	(84,956)
Provision at the End of the Year	<u>237,683</u>	<u>258,390</u>	<u>439,990</u>
Cyclical Maintenance - Current	43,470	181,600	181,600
Cyclical Maintenance - Term	194,213	76,790	258,390
	<u>237,683</u>	<u>258,390</u>	<u>439,990</u>

## 17. 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	142,627	149,367	152,040
Later than One Year and no Later than Five Years	124,368	127,439	257,198
Future Finance Charges	(23,595)	(42,000)	(50,202)
	<u>243,400</u>	<u>234,806</u>	<u>359,036</u>
<b>Represented by</b>			
Finance lease liability - Current	125,097	122,367	124,230
Finance lease liability - Term	118,303	112,439	234,806
	<u>243,400</u>	<u>234,806</u>	<u>359,036</u>

## 18. Funds held in Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	87,072	45,067	45,067
	<u>87,072</u>	<u>45,067</u>	<u>45,067</u>

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

## 19. Related Party Transactions

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

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

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

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$722,463 (2020: \$720,538). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$1,027, (2020: \$9,069).

## 20. Remuneration

### *Key management personnel compensation*

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	7,574	6,581
<i>Leadership Team</i>		
Remuneration	891,344	768,998
Full-time equivalent members	7	6
Total key management personnel remuneration	898,918	775,579

There are eleven members of the Board excluding the Principal. The Board had held ten full meetings of the Board in the year. The Board also has Finance and Property (5 members) that meet monthly from February to November. 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	180 - 190	170 - 180
Benefits and Other Emoluments	-	0 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	15.00	9
110 - 120	2.00	4
120 - 130	4.00	2
	21.00	15.00

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

## 21. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	\$0	\$0
Number of People	Nil	Nil

## 22. 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.

## 23. Commitments

### (a) Capital Commitments

As at 31 December 2021 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2020: Nil)

### (b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

(a) Cleaning Contract commenced July 2020 for 24 months;

	2021 Actual \$	2020 Actual \$
No later than One Year	60,650	121,300
Later than One Year and No Later than Five Years	-	60,650
	<u>60,650</u>	<u>181,950</u>

## 24. 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	367,539	463,960	811,194
Receivables	598,723	557,109	557,109
Investments - Term Deposits	2,422,884	1,613,236	1,613,236
Total Financial assets measured at amortised cost	<u>3,389,146</u>	<u>2,634,305</u>	<u>2,981,539</u>

### Financial liabilities measured at amortised cost

Payables	1,131,899	1,043,047	1,043,047
Finance Leases	243,400	234,806	359,036
Total Financial Liabilities Measured at Amortised Cost	<u>1,375,299</u>	<u>1,277,853</u>	<u>1,402,083</u>

## 25. Events After Balance Date

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

## 26. Comparatives

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

## **27. COVID 19 Pandemic on going implications**

### **Impact of Covid-19**

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

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

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

### **Impact on operations**

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

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

### **Reduction in locally raised funds**

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

### **Increased Remote learning additional costs**

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

### **Reduction in International students**

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



# **De La Salle College**

## **Kiwisport Statement**

For the year ended 31 December 2021

Kiwisport is a government funding initiative to support students participation in organised sport. In 2021, the school received a total of Kiwisport funding of \$21,376(exc. GST). This funding was used to support students participation in sports activities in 2021 and also used towards the Sports Coordinator salary. (2020: \$21,308).



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DE LA SALLE COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of De La Salle College (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2021 and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 3 June 2022. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

#### 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 is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the school 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 of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

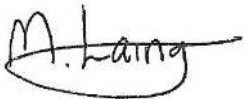
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

## Independence

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

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



### **Matt Laing**

Partner  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand