

# HAURAKI SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

**Ministry Number:** 1304

**Principal:** Clarinda Franklin

**School Address:** 82 Jutland Road  
Hauraki  
Auckland 0622

**School Phone:** (09) 489 4568

**School Email:** [office@hauraki.school.nz](mailto:office@hauraki.school.nz)

#### Members of the Board

Name	Position	How Position Gained	Term Expired/Expires
James Greenway	Presiding Member	Elected	Sept 2022
Clarinda Franklin	Principal ex Officio		
Jennine Cassidy	Parent Representative	Elected	Sept 2022
Sarah Heron	Parent Representative	Elected	Sept 2022
Sarah Keber	Parent Representative	Elected	Sept 2022
Matthew Manning	Parent Representative	Elected	Sept 2022
Melanie Toft	Parent Representative	Elected	June 2021
Logan Burson	Staff Representative	Elected	Sept 2022
Christopher Pipes	Staff Representative	Elected	Sept 2022

**Accountant / Service Provider:**  
Top Class Financial Management Services

# HAURAKI SCHOOL

Annual Report - For the year ended 31 December 2021

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# Hauraki School

## Statement of Responsibility

For the year ended 31 December 2021

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

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

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

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

James Greenway  
Full Name of Presiding Member

Clarinda Franklin  
Full Name of Principal

[Signature]  
Signature of Presiding Member

[Signature]  
Signature of Principal

23/5/22  
Date:

23/5/22  
Date:

# Hauraki School

## 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	4,073,417	3,899,739	3,749,407
Locally Raised Funds	3	260,273	217,250	400,823
Interest Income		5,639	10,000	13,621
International Students	4	84,239	96,875	135,068
		4,423,568	4,223,864	4,298,919
<b>Expenses</b>				
Locally Raised Funds	3	71,511	85,750	117,716
International Students	4	3,574	3,500	4,349
Learning Resources	5	2,834,499	2,732,843	2,602,192
Administration	6	188,337	188,661	178,023
Finance		4,199	5,500	5,517
Property	7	1,165,733	1,310,071	1,176,610
Depreciation	12	152,215	144,000	153,416
Loss on Disposal of Property, Plant and Equipment		11,132	-	12,343
		4,431,200	4,470,325	4,250,166
<b>Net Surplus / (Deficit) for the year</b>		(7,632)	(246,461)	48,753
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(7,632)	(246,461)	48,753

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

# Hauraki School

## 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	271,298	151,740	350,577
Accounts Receivable	9	188,624	173,000	160,876
GST Receivable		9,572	5,000	8,048
Prepayments		19,399	10,000	10,608
Inventories	10	54,052	35,000	41,794
Investments	11	751,851	250,000	522,551
		<u>1,294,796</u>	<u>624,740</u>	<u>1,094,454</u>
<b>Current Liabilities</b>				
Accounts Payable	13	269,518	218,400	228,360
Revenue Received in Advance	14	56,799	10,000	88,991
Provision for Cyclical Maintenance	15	69,149	-	-
Finance Lease Liability	16	16,618	25,000	27,668
Funds held for Capital Works Projects	17	170,440	-	(10,784)
		<u>582,524</u>	<u>253,400</u>	<u>334,235</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>712,272</u>	<u>371,340</u>	<u>760,219</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	579,478	770,960	612,288
		<u>579,478</u>	<u>770,960</u>	<u>612,288</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	50,094	131,243	119,243
Finance Lease Liability	16	6,946	25,000	20,746
		<u>57,040</u>	<u>156,243</u>	<u>139,989</u>
<b>Net Assets</b>		<u><u>1,234,710</u></u>	<u><u>986,057</u></u>	<u><u>1,232,518</u></u>
<b>Equity</b>		<u><u>1,234,710</u></u>	<u><u>986,057</u></u>	<u><u>1,232,518</u></u>

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

# Hauraki School

## 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>		1,232,518	1,232,518	1,145,765
Total comprehensive revenue and expense for the year		(7,632)	(246,461)	48,753
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		9,824	-	38,000
<b>Equity at 31 December</b>		1,234,710	986,057	1,232,518

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.

# Hauraki School

## 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		743,185	962,337	739,847
Locally Raised Funds		268,672	227,250	408,049
International Students		46,195	96,875	105,164
Goods and Services Tax (net)		(1,524)	-	14,452
Payments to Employees		(414,505)	(562,122)	(584,922)
Payments to Suppliers		(531,439)	(538,554)	(514,262)
Interest Paid		(4,199)	(5,500)	(5,517)
Interest Received		7,975	10,000	12,629
Net cash from/(to) Operating Activities		114,360	190,286	175,440
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(131,096)	(387,952)	(109,539)
Purchase of Investments		(229,300)	-	
Proceeds from Sale of Investments		-	200,000	59,169
Net cash from/(to) Investing Activities		(360,396)	(187,952)	(50,370)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		9,824	-	38,000
Finance Lease Payments		(24,291)	(33,466)	(34,450)
Funds Held for Capital Works		181,224	-	44,298
Net cash from/(to) Financing Activities		166,757	(33,466)	47,848
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(79,279)</b>	<b>(31,132)</b>	<b>172,918</b>
Cash and cash equivalents at the beginning of the year	8	350,577	182,872	177,659
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>271,298</b>	<b>151,740</b>	<b>350,577</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.

# Hauraki School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### **Reporting Period**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

###### **Cyclical maintenance**

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

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

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

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

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



#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

### **d) Operating Lease Payments**

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

### **e) Finance Lease Payments**

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

### **f) Cash and Cash Equivalents**

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

### **g) Accounts Receivable**

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

### **h) Inventories**

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

### **i) Investments**

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

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

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

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

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

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

### **Finance Leases**

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

### **Depreciation**

Property, plant and equipment 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 years
Furniture and equipment	2–10 years
Information and communication technology	2–5 years
Playground	4-10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### **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 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.

### **m) Revenue Received in Advance**

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

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

### **n) Provision for Cyclical Maintenance**

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

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

**o) 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.

**p) 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.

**q) Budget Figures**

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

**r) 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	678,970	648,137	687,661
Teachers' Salaries Grants	2,352,664	2,192,754	2,008,963
Use of Land and Buildings Grants	977,568	1,000,597	1,000,597
Other MoE Grants	64,215	58,251	52,186
	4,073,417	3,899,739	3,749,407

## 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	112,823	123,500	222,100
Fees for Extra Curricular Activities	75,396	3,750	74,137
Trading	66,427	85,000	94,852
Fundraising & Community Grants	5,627	5,000	9,734
	260,273	217,250	400,823
<b>Expenses</b>			
Extra Curricular Activities Costs	10,364	750	22,668
Trading	61,147	85,000	95,048
	71,511	85,750	117,716
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	188,762	131,500	283,107

## 4. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	8	9	13
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
International Student Fees	84,239	96,875	135,068
<b>Expenses</b>			
Other Expenses	3,574	3,500	4,349
	3,574	3,500	4,349
<i>Surplus/ (Deficit) for the year International Students</i>	80,665	93,375	130,719

## 5. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	133,421	89,967	123,537
Information and Communication Technology	26,626	14,500	21,165
Library Resources	1,382	1,500	1,398
Employee Benefits - Salaries	2,653,443	2,597,876	2,445,896
Staff Development	19,627	29,000	10,196
	<u>2,834,499</u>	<u>2,732,843</u>	<u>2,602,192</u>

## 6. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	7,138	8,400	6,373
Board Fees	3,180	3,500	2,170
Board Expenses	5,461	3,900	2,704
Communication	7,489	7,550	7,266
Consumables	9,570	20,300	19,595
Operating Lease	12,571	3,000	6,896
Other	10,967	11,800	9,951
Employee Benefits - Salaries	106,976	105,000	98,126
Insurance	9,985	10,211	9,942
Service Providers, Contractors and Consultancy	15,000	15,000	15,000
	<u>188,337</u>	<u>188,661</u>	<u>178,023</u>

## 7. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	16,308	16,350	20,866
Consultancy and Contract Services	45,417	47,800	32,086
Cyclical Maintenance Provision	-	12,000	13,141
Grounds	12,102	6,200	3,765
Heat, Light and Water	25,310	38,704	32,239
Rates	61	130	114
Repairs and Maintenance	36,791	127,290	15,330
Use of Land and Buildings	977,568	1,000,597	1,000,597
Security	11,335	9,000	8,609
Employee Benefits - Salaries	40,841	52,000	49,863
	<u>1,165,733</u>	<u>1,310,071</u>	<u>1,176,610</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	\$ 271,298	\$ 151,740	\$ 350,577
Cash and cash equivalents for Statement of Cash Flows	<u>271,298</u>	<u>151,740</u>	<u>350,577</u>

Of the \$271,298 Cash and Cash Equivalents, \$170,440 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

Of the \$271,298 Cash and Cash Equivalents, \$56,799 is held by the School for International and Domestic Students who have paid in advance. These funds are required to be held until the service to these students is provided by the school.

## 9. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Receivables	\$ 10	\$ 2,000	\$ 2,557
Interest Receivable	1,301	1,000	3,637
Teacher Salaries Grant Receivable	187,313	170,000	154,682
	<u>188,624</u>	<u>173,000</u>	<u>160,876</u>
Receivables from Exchange Transactions	1,311	3,000	6,194
Receivables from Non-Exchange Transactions	187,313	170,000	154,682
	<u>188,624</u>	<u>173,000</u>	<u>160,876</u>

## 10. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
Stationery	\$ 8,978	\$ 5,000	\$ 8,249
School Uniforms	45,074	30,000	33,545
	<u>54,052</u>	<u>35,000</u>	<u>41,794</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	751,851	250,000	522,551
Total Investments	<u>751,851</u>	<u>250,000</u>	<u>522,551</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	134,959	-	-	-	(40,803)	<b>94,156</b>
Furniture and Equipment	214,920	52,243	(400)	-	(40,723)	<b>226,040</b>
Information and Communication Technology	34,724	43,475	(9,060)	-	(19,025)	<b>50,114</b>
Playground	170,284	29,568	-	-	(32,114)	<b>167,738</b>
Leased Assets	35,900	3,043	(1,203)	-	(16,782)	<b>20,958</b>
Library Resources	21,501	2,208	(469)	-	(2,768)	<b>20,472</b>
<b>Balance at 31 December 2021</b>	<b>612,288</b>	<b>130,537</b>	<b>(11,132)</b>	<b>-</b>	<b>(152,215)</b>	<b>579,478</b>

The net carrying value of photocopiers held under a finance lease, included in the Furniture and Equipment categories is \$556 (2020: \$10,453)

The net carrying value of IT Equipment held under a finance lease is \$20,958 (2020: \$35,900).

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	920,383	(826,227)	<b>94,156</b>	920,383	(785,424)	<b>134,959</b>
Furniture and Equipment	640,167	(414,127)	<b>226,040</b>	603,993	(389,073)	<b>214,920</b>
Information and Communication T	150,304	(100,190)	<b>50,114</b>	176,535	(141,811)	<b>34,724</b>
Playground	433,087	(265,349)	<b>167,738</b>	403,519	(233,235)	<b>170,284</b>
Leased Assets	52,209	(31,251)	<b>20,958</b>	52,768	(16,868)	<b>35,900</b>
Library Resources	52,365	(31,893)	<b>20,472</b>	53,555	(32,054)	<b>21,501</b>
<b>Balance at 31 December</b>	<b>2,248,515</b>	<b>(1,669,037)</b>	<b>579,478</b>	<b>2,210,753</b>	<b>(1,598,465)</b>	<b>612,288</b>

## 13. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	34,474	40,000	48,622
Accruals	13,640	8,400	25,056
Banking Staffing Overuse	26,689	-	-
Employee Entitlements - Salaries	187,313	170,000	154,682
Employee Entitlements - Leave Accrual	7,402	-	-
	<b>269,518</b>	<b>218,400</b>	<b>228,360</b>
Payables for Exchange Transactions	269,518	218,400	228,360
	<b>269,518</b>	<b>218,400</b>	<b>228,360</b>

The carrying value of payables approximates their fair value.

#### 14. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
International Student Fees in Advance	38,043	-	76,087
Other revenue in Advance	18,756	10,000	12,904
	56,799	10,000	88,991
	56,799	10,000	88,991

#### 15. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	119,243	119,243	106,102
Increase/ (decrease) to the Provision During the Year	-	12,000	13,141
Provision at the End of the Year	119,243	131,243	119,243
	119,243	131,243	119,243
Cyclical Maintenance - Current	69,149	-	-
Cyclical Maintenance - Term	50,094	131,243	119,243
	119,243	131,243	119,243
	119,243	131,243	119,243

#### 16. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	17,851	31,000	31,751
Later than One Year and no Later than Five Years	7,212	21,000	21,873
Future Finance Charges	(1,499)	(2,000)	(5,210)
	23,564	50,000	48,414
	23,564	50,000	48,414
<b>Represented by</b>			
Finance lease liability - Current	16,618	25,000	27,668
Finance lease liability - Term	6,946	25,000	20,746
	23,564	50,000	48,414
	23,564	50,000	48,414



## 17. Funds Held for Capital Works Projects

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

	2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Astro Turf Relocate Play 229006	<i>In Progress</i>	-	72,660	(49,358)	-	23,302
Astro Turf Courts 228206	<i>In Progress</i>	-	86,589	(82,325)	-	4,264
Creo 228207	<i>In Progress</i>		138,880	-	-	138,880
ILE & Roofing Project 228475	<i>In Progress</i>	4,572	36,461	(37,039)	-	3,994
Drinking Fountains 229022	<i>Completed</i>	(15,356)	16,306	(950)	-	-
Totals		(10,784)	350,896	(169,672)	-	170,440

### Represented by:

Funds Held on Behalf of the Ministry of Education	170,440
	170,440

	2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
ILE & Roofing Project 228475	<i>In Progress</i>	(55,082)	55,704	-	3,950	4,572
Drinking Fountains 229022	<i>In Progress</i>	-	-	(15,356)		(15,356)
Totals		(55,082)	55,704	(15,356)	3,950	(10,784)

## 18. 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.

## 19. Remuneration

### Key management personnel compensation

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

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<i>Board Members</i>		
Remuneration	3,180	2,170
 <i>Leadership Team</i>		
Remuneration	377,063	375,719
Full-time equivalent members	3	3
 Total key management personnel remuneration	380,243	377,889

There are five members of the Board excluding the Principal and Staff Representative. The Board had held eight full meetings of the Board in the year. The Board also has Finance (one member) that meets regularly. 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 1

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

	<b>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	25-30	25-30
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>2021 FTE Number</b>	<b>2020 FTE Number</b>
100-110	2.00	2.00
110-120	1.00	-
	3.00	2.00

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

## 20. 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:

	<b>2021 Actual</b>	<b>2020 Actual</b>
Total	-	-
Number of People	-	-

## 21. 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.

## 22. Commitments

### (a) Capital Commitments

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

(a) \$594,834 contract for ILE and roofing works to be completed in 2022, which will be fully funded by the Ministry of Education. \$567,465 has been received of which \$563,471 has been spent on the project to date; and

(b) \$16,306 contract to have new drinking fountains placed by the new building. This project is fully funded by the Ministry of Education, \$16,306 has been received of which \$16,306 has been spent. This project is now complete; and

(c) \$81,823 contract for Astro Turf under the Relocated Playground. The project is fully funded by the Ministry and \$72,659 has been received of which \$49,358 has been spent on the project to balance date. This project has been approved by the Ministry; and

(d) \$97,506 contract for Astro Turf on the Courts. The project is fully funded by the Ministry and \$86,589 has been received of which \$82,325 has been spent on the project to balance date. This project has been approved by the Ministry; and

(e) \$156,806 contract for Creo. The project is fully funded by the Ministry and \$138,880 has been received of which \$05 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2020: \$574,679)

### (b) Operating Commitments

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

(a) operating lease of a EFTPOS Machine;

(b) operating lease extension for IT Equipment

No later than One Year

	2021 Actual \$	2020 Actual \$
	3,774	3,783
	<u>3,774</u>	<u>3,783</u>

## 23. 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	271,298	151,740	350,577
Receivables	188,624	173,000	160,876
Investments - Term Deposits	751,851	250,000	522,551
Total Financial assets measured at amortised cost	<u>1,211,773</u>	<u>574,740</u>	<u>1,034,004</u>

### Financial liabilities measured at amortised cost

Payables	269,518	218,400	228,360
Finance Leases	23,564	50,000	48,414
Total Financial Liabilities Measured at Amortised Cost	<u>293,082</u>	<u>268,400</u>	<u>276,774</u>

## 24. Events After Balance Date

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

## 25. COVID 19 Pandemic on going implications

### Impact of Covid-19

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

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

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

### Impact on operations

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

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

### Reduction in locally raised funds

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

### 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.

## HAURAKI SCHOOL

### ANALYSIS OF VARIANCE 2021

**Strategic Aim** All students are able to access *The N.Z. Curriculum* as evidenced by achievement in relation to the National Curriculum.

**Annual Objective:** Improve areas of weakness and enhance areas of strength identified from end of 2020 analysed literacy and numeracy data.

Please note that this Analysis of Variance compares end of 2020 data with June 2021 data as no end of 2021 data was available due to Covid and the school being closed.

### SPECIAL NEEDS

Target Group 1	Year 4 Writing Group (9 students)	Led By	Time Frame	Budget
<b>Base Data</b>	Two students were well below expectation at 1A, and seven others were at 2B in Feb 2021.	Belinda	Terms 1 - 4	1.0 Teacher
<b>Target Set</b>	Overall aim is to accelerate these students so that they move at least one sub-level.			
<b>Assessment Tool</b>	E-asttle writing, Schonell Spelling, overall teacher judgement.			
<b>Action</b>	These children were withdrawn from their class five days a week during writing time to work with a specialist teacher according to individually identified needs. Ongoing monitoring is to take place.			
<b>Result</b>	By mid year one student had moved one sub-level, one had gone down a sub-level and the remainder were at the same level as at the beginning of the year. There is no end of year data because of covid but these results indicate that these students will continue to receive small group instruction in 2022.			
<b>Target Group 2</b>	<b>Year 5 Writing Group (10 students)</b>			

<b>Base Data</b>	One student was 1B, two were at 1A, three were at 2B, three were at 2P, and one at 2A at the beginning of the year and therefore functioning below expectation.	Christine	Terms 1 - 4	.56 Teacher
<b>Target Set</b>	The overall aim is to accelerate the progress of these children and have all students progressing and achieving at least two sub-levels where they are currently at by the year's end.			
<b>Assessment Tool</b>	asTTle, Schonell Spelling, PAT, overall teacher judgement.			
<b>Action</b>	These children are to be withdrawn from their class four days a week during writing time to work with an experienced teacher. Ongoing monitoring is to take place.			
<b>Results</b>	Some progress was made but this programme was impacted on by covid and lack of schooling. The 1B student remained the same at 1B. Two 1A students moved to 2B. Two 2B students moved to 2P and one 1B student moved to 2A. Two 2P students moved to 2A and one 2P student stayed the same at 2P.			

<b>Target Group 4</b>	<b>Year 4 Maths Group (6 students)</b>			
<b>Base Data</b>	At the beginning of the year one student had an OTJ of 1P, three were at 1A, and two at 2B.	Belinda	Terms 1 - 4	
<b>Target Set</b>	Overall aim is to accelerate these students so that they all meet the curriculum expectation of 2P or better.			
<b>Assessment Tool</b>	asTTle, Gloss, Ikan and PAT, overall teacher judgement.			
<b>Action</b>	These children are to be withdrawn from their class four days a week during maths time to work with a specialist teacher according to individually identified needs. Ongoing monitoring is to take place.			

<p><b>Results</b></p>	<p>The 1P student at the beginning of the year was still at 1P at mid-year. Two 1A students had moved to 2B and one had moved two sub-levels to 2P. The two 2B students were still at 2B by mid-year. Limited progress was made for most of these students and it is recommended that small group tuition continues in 2022.</p>					
<p><b>Target Group 5</b></p>	<p><b>Year 5 Maths Group (9 students)</b></p>					
<p><b>Base Data</b></p>	<p>At the beginning of the year seven students were below curriculum expectation at 2B, and two others were 2P.</p>			Christine	Terms 1 - 4	
<p><b>Target Set</b></p>	<p>Overall aim is to accelerate these students so that they are all achieving at least two sub-levels above their current level which is curriculum expectation.</p>					
<p><b>Assessment Tool</b></p>	<p>asTTle, Gloss, Ikan and PAT, overall teacher judgement.</p>					
<p><b>Action</b></p>	<p>These children are to be withdrawn from their class four days a week during maths time to work with a specialist teacher according to individually identified needs. Ongoing monitoring is to take place.</p>					
<p><b>Results</b></p>	<p>By mid-year four students had moved from 2B to 2P, and three others were still at 2B. The two 2P students had both moved to 2A by mid-year. Some progress was made for most but it recommended that on going support continue in 2022.</p>					

Hauraki School  
Kiwi Sport Funding 2021

Kiwi Sport funding of \$7 102.00 in 2021 was spent on providing all students with the opportunity to participate in a series of gymnastics tuition using outside expertise for all classes across the school.

Clarinda Franklin  
Principal



## Independent Auditor's Report

# To the Readers of Hauraki School's Financial Statements

## For the Year Ended 31 December 2021

The Auditor-General is the auditor of Hauraki School (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) 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 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 24 May 2022. This is the date at which our opinion is expressed.

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

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

**ACCOUNTANTS & ADVISORS**  
Level 4, 21 Queen Street  
Auckland 1010, New Zealand  
PO Box 106 090  
Auckland 1143, New Zealand  
Telephone: +64 9 366 5000  
**williambuck.com**

William Buck Audit (NZ) Limited

### **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 arises from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, the Members of the Board of Trustees and the Analyses of Variance, 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.



**Darren Wright**  
**William Buck Audit (NZ) Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand