

HAURAKI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/Expires
James Greenway	Chair Person	Elected	May 2022
Clarinda Franklin	Principal ex Officio		
Jennine Cassidy	Parent Rep	Elected	May 2022
Melanie Toft	Parent Rep	Elected	May 2022
Sarah Heron	Parent Rep	Elected	May 2022
Sarah Keber	Parent Rep	Elected	May 2022
Matthew Manning	Parent Rep	Elected	May 2022
Logan Burson	Staff Rep - shared	Elected	May 2022
Christopher Pipes	Staff Rep - shared	Elected	May 2022

Accountant / Service Provider:
Top Class Financial Management Services

HAURAKI SCHOOL

Annual Report - For the year ended 31 December 2020

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Hauraki School

Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

James Glenway
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

20/05/2021
Date:

Clarinda Franklin
Full Name of Principal

[Signature]
Signature of Principal

20/5/2021
Date:

Hauraki School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,749,407	3,622,519	3,629,222
Locally Raised Funds	3	400,823	206,250	333,306
Interest income		13,621	22,000	24,849
International Students	4	135,068	90,000	120,203
		<u>4,298,919</u>	<u>3,940,769</u>	<u>4,107,580</u>
Expenses				
Locally Raised Funds	3	117,716	70,750	98,408
International Students	4	4,349	3,500	2,812
Learning Resources	5	2,602,192	2,482,187	2,458,936
Administration	6	178,023	188,400	183,138
Finance		5,517	5,400	6,130
Property	7	1,176,610	1,215,728	1,252,152
Depreciation	8	153,416	144,000	153,161
Loss on Disposal of Property, Plant and Equipment		12,343	-	6,964
		<u>4,250,166</u>	<u>4,109,965</u>	<u>4,161,701</u>
Net Surplus / (Deficit) for the year		48,753	(169,196)	(54,121)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>48,753</u>	<u>(169,196)</u>	<u>(54,121)</u>

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

Hauraki School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January	<u>1,145,765</u>	<u>1,145,765</u>	<u>1,192,072</u>
Total comprehensive revenue and expense for the year	48,753	(169,196)	(54,121)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	38,000	-	7,814
Equity at 31 December	<u>1,232,518</u>	<u>976,569</u>	<u>1,145,765</u>

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 Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	9	350,577	182,872	177,659
Accounts Receivable	10	160,876	133,000	135,700
GST Receivable		8,048	5,000	22,500
Prepayments		10,608	5,000	11,934
Inventories	11	41,794	35,000	44,453
Investments	12	522,551	450,000	581,720
Funds due for Capital Works Projects	18	10,784	-	55,082
		<u>1,105,238</u>	<u>810,872</u>	<u>1,029,048</u>
Current Liabilities				
Accounts Payable	14	228,360	166,600	245,080
Revenue Received in Advance	15	88,991	-	117,745
Provision for Cyclical Maintenance	16	-	2,700	6,857
Finance Lease Liability - Current Portion	17	27,668	25,000	28,444
Funds held for Capital Works Projects	18	-	-	-
		<u>345,019</u>	<u>194,300</u>	<u>398,126</u>
Working Capital Surplus/(Deficit)		760,219	616,572	630,922
Non-current Assets				
Property, Plant and Equipment	13	612,288	493,542	635,042
		<u>612,288</u>	<u>493,542</u>	<u>635,042</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	119,243	108,545	99,245
Finance Lease Liability	17	20,746	25,000	20,954
		<u>139,989</u>	<u>133,545</u>	<u>120,199</u>
Net Assets		<u>1,232,518</u>	<u>976,569</u>	<u>1,145,765</u>
Equity	24	<u>1,232,518</u>	<u>976,569</u>	<u>1,145,765</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 Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		739,847	741,739	645,086
Locally Raised Funds		408,049	204,250	326,622
International Students		105,164	60,000	169,910
Goods and Services Tax (net)		14,452	-	(11,506)
Payments to Employees		(584,922)	(545,484)	(467,495)
Payments to Suppliers		(514,262)	(419,266)	(477,972)
Cyclical Maintenance Payments in the year		-	32,722	-
Interest Paid		(5,517)	(5,400)	(6,130)
Interest Received		12,629	24,000	25,924
Net cash from/(to) Operating Activities		175,440	92,561	204,439
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	27,405	-
Purchase of Property Plant & Equipment (and Intangibles)		(109,539)	-	(108,923)
Purchase of Investments		-	-	(48,910)
Proceeds from Sale of Investments		59,169	-	-
Net cash from/(to) Investing Activities		(50,370)	27,405	(157,833)
Cash flows from Financing Activities				
Furniture and Equipment Grant		38,000	-	7,814
Finance Lease Payments		(34,450)	(29,302)	(27,372)
Funds Held for Capital Works Projects		44,298	-	(17,285)
Net cash from/(to) Financing Activities		47,848	(29,302)	(36,843)
Net increase/(decrease) in cash and cash equivalents		172,918	90,664	9,763
Cash and cash equivalents at the beginning of the year	9	177,659	92,208	167,896
Cash and cash equivalents at the end of the year	9	350,577	182,872	177,659

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 2020

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 of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 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 13.

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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

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) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) 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.

j) 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.

k) 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	2–20 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

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

n) 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.

o) Provision for Cyclical Maintenance

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

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

p) 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.

q) 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.

r) Budget Figures

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

s) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	687,661	594,363	589,577
Teachers' Salaries Grants	2,008,963	1,956,083	1,967,094
Use of Land and Buildings Grants	1,000,597	1,021,320	1,009,369
Other MoE Grants	52,186	50,753	52,403
Other Government Grants	-	-	10,779
	3,749,407	3,622,519	3,629,222

Other MOE Grants total includes additional COVID-19 funding totalling \$24,176 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	222,100	124,000	152,686
Activities	74,137	3,750	77,249
Trading	94,852	70,000	88,868
Fundraising	9,734	8,500	14,503
	400,823	206,250	333,306
Expenses			
Activities	22,668	750	19,288
Trading	95,048	70,000	78,453
Fundraising (Costs of Raising Funds)	-	-	667
	117,716	70,750	98,408
Surplus/ (Deficit) for the year Locally raised funds	283,107	135,500	234,898

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	13	8	9
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	135,068	90,000	120,203
Expenses			
International Student Levy	4,349	3,500	2,812
	4,349	3,500	2,812
Surplus/ (Deficit) for the year International Students	130,719	86,500	117,391

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	123,537	90,620	129,006
Information and Communication Technology	21,165	20,500	26,374
Library Resources	1,398	1,500	1,146
Employee Benefits - Salaries	2,445,896	2,340,567	2,281,746
Staff Development	10,196	29,000	20,664
	<u>2,602,192</u>	<u>2,482,187</u>	<u>2,458,936</u>

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,373	6,600	6,188
Board of Trustees Fees	2,170	3,700	3,360
Board of Trustees Expenses	2,704	4,500	5,078
Communication	7,266	7,250	7,189
Consumables	19,595	18,500	21,615
Operating Lease	6,896	6,500	4,649
Other	9,951	11,850	12,085
Employee Benefits - Salaries	98,126	105,000	98,452
Insurance	9,942	9,500	9,522
Service Providers, Contractors and Consultancy	15,000	15,000	15,000
	<u>178,023</u>	<u>188,400</u>	<u>183,138</u>

7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	20,866	15,900	14,926
Consultancy and Contract Services	32,086	35,100	31,835
Cyclical Maintenance Provision	13,141	12,000	13,135
Grounds	3,765	5,000	5,075
Heat, Light and Water	32,239	33,200	32,279
Rates	114	100	74
Repairs and Maintenance	15,330	33,107	83,250
Use of Land and Buildings	1,000,597	1,021,321	1,009,369
Security	8,609	8,000	13,208
Employee Benefits - Salaries	49,863	52,000	49,001
	<u>1,176,610</u>	<u>1,215,728</u>	<u>1,252,152</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	41,348	40,000	41,865
Furniture and Equipment	31,214	25,000	30,661
Information and Communication Technology	29,611	40,000	41,867
Playground	34,855	31,500	32,755
Leased Assets	13,569	5,000	3,299
Library Resources	2,819	2,500	2,714
	<u>153,416</u>	<u>144,000</u>	<u>153,161</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	300	300	300
Bank Current Account	348,067	180,372	175,150
Bank Call Account	2,210	2,200	2,209
Cash and cash equivalents for Statement of Cash Flows	<u>350,577</u>	<u>182,872</u>	<u>177,659</u>

Of the \$350,577 Cash and Cash Equivalents, \$76,087 is held by the School for International Students who have paid in advance. These funds are required to be held until the service to these students is provided by the school.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	2,557	2,000	8,633
Interest Receivable	3,637	1,000	2,645
Teacher Salaries Grant Receivable	154,682	130,000	124,422
	<u>160,876</u>	<u>133,000</u>	<u>135,700</u>
Receivables from Exchange Transactions	6,194	3,000	11,278
Receivables from Non-Exchange Transactions	154,682	130,000	124,422
	<u>160,876</u>	<u>133,000</u>	<u>135,700</u>

11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	8,249	5,000	10,160
School Uniforms	33,545	30,000	34,293
	<u>41,794</u>	<u>35,000</u>	<u>44,453</u>

12. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	522,551	450,000	581,720
Total Investments	522,551	450,000	581,720

13. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	176,307	-	-	-	(41,348)	134,959
Furniture and Equipment	148,515	103,024	(5,405)	-	(31,214)	214,920
Information and Communication Technology	67,326	2,965	(5,956)	-	(29,611)	34,724
Playground	205,139	-	-	-	(34,855)	170,284
Leased Assets	16,003	33,466	-	-	(13,569)	35,900
Library Resources	21,752	3,550	(982)	-	(2,819)	21,501
Balance at 31 December 2020	635,042	143,005	(12,343)	-	(153,416)	612,288

The net carrying value of IT equipment and photocopiers held under a finance lease, included in the Information and Communication Technology and Furniture and Equipment categories, is \$10,453 (2019: \$30,896)

The net carrying value of IT equipment held under a finance lease is \$35,900 (2019: \$16,003)

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	920,383	(785,424)	134,959
Furniture and Equipment	603,993	(389,073)	214,920
Information and Communication Technology	176,535	(141,811)	34,724
Playground	403,519	(233,235)	170,284
Leased Assets	52,768	(16,868)	35,900
Library Resources	53,555	(32,054)	21,501
Balance at 31 December 2020	2,210,753	(1,598,465)	612,288

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	218,172	-	-	-	(41,865)	176,307
Furniture and Equipment	122,476	56,700	-	-	(30,661)	148,515
Information and Communication Technology	102,545	13,414	(6,766)	-	(41,867)	67,326
Playground	212,094	25,800	-	-	(32,755)	205,139
Leased Assets	-	19,302	-	-	(3,299)	16,003
Library Resources	19,158	5,506	(198)	-	(2,714)	21,752
Balance at 31 December 2019	674,445	120,722	(6,964)	-	(153,161)	635,042

The net carrying value of IT equipment and photocopiers held under a finance lease, included in the Information and Communication Technology and Furniture and Equipment categories, is \$30,896 (2018: \$61,958)
The net carrying value of IT equipment held under a finance lease is \$16,003 (2018: nil)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	920,383	(744,076)	176,307
Furniture and Equipment	592,066	(443,551)	148,515
Information and Communication Technology	424,410	(357,084)	67,326
Motor Vehicles	403,519	(198,380)	205,139
Leased Assets	19,302	(3,299)	16,003
Library Resources	56,229	(34,477)	21,752
Balance at 31 December 2019	2,415,909	(1,780,867)	635,042

14. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	48,622	30,000	102,699
Accruals	25,056	6,600	17,959
Employee Entitlements - Salaries	154,682	130,000	124,422
	228,360	166,600	245,080
Payables for Exchange Transactions	228,360	166,600	245,080
	228,360	166,600	245,080

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	76,087	-	105,991
Other	12,904	-	11,754
	88,991	-	117,745

16. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	106,102	106,102	92,967
Increase/ (decrease) to the Provision During the Year	13,141	12,000	13,135
Use of the Provision During the Year	-	(6,857)	-
Provision at the End of the Year	119,243	111,245	106,102
Cyclical Maintenance - Current	-	2,700	6,857
Cyclical Maintenance - Term	119,243	108,545	99,245
	119,243	111,245	106,102

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:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	25,458	25,000	26,896
Later than One Year and no Later than Five Years	14,199	25,000	18,023
	<u>39,657</u>	<u>50,000</u>	<u>44,919</u>

18. 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:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
ILE & Roofing Project	<i>in progress</i>	(55,082)	55,704	3,950	-	4,572
Drinking Fountain	<i>in progress</i>	-	-	(15,356)	-	(15,356)
Totals		<u>(55,082)</u>	<u>55,704</u>	<u>(11,406)</u>	<u>-</u>	<u>(10,784)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

10,784

(10,784)

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Security System	<i>completed</i>	-	5,655	(5,655)	-	-
ILE & Roofing Project	<i>in progress</i>	(37,797)	502,536	(519,821)	-	(55,082)
Totals		<u>(37,797)</u>	<u>508,191</u>	<u>(525,476)</u>	<u>-</u>	<u>(55,082)</u>

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.

20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	2,170	3,360
Full-time equivalent members	0.05	0.10
<i>Leadership Team</i>		
Remuneration	396,462	355,026
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>398,632</u>	<u>358,386</u>
Total full-time equivalent personnel	<u>3.05</u>	<u>3.10</u>

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

Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	140-150
Benefits and Other Emoluments	25-30	15-25
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	2.00	2.00
	<u>2.00</u>	<u>2.00</u>

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 trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

22. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

23. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$558,373 contract for ILE and roofing works to be completed in 2021, which will be fully funded by the Ministry of Education. \$558,240 has been received of which \$553,668 has been spent on the project to date.

(b) \$16,306 contract to have new drinking fountains placed by the new building. This project is fully funded by the Ministry of Education, \$0 has been received at year of, \$15,356 has been spent on the project to balance date.

(Capital commitments at 31 December 2019: \$558,373)

(b) Operating Commitments

As at 31 December 2020 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

	2020 Actual \$	2019 Actual \$
	3,783	521
	<u>3,783</u>	<u>521</u>

24. Managing Capital

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

25. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	350,577	182,872	177,659
Receivables	160,876	133,000	135,700
Investments - Term Deposits	522,551	450,000	581,720
Total Financial assets measured at amortised cost	<u>1,034,004</u>	<u>765,872</u>	<u>895,079</u>

Financial liabilities measured at amortised cost

Payables	228,360	166,600	245,080
Finance Leases	48,414	50,000	49,398
Total Financial Liabilities Measured at Amortised Cost	<u>276,774</u>	<u>216,600</u>	<u>294,478</u>

26. Events After Balance Date

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

27. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year. Expenses previously classified as Locally Raised Funds costs have been moved to Curricular.

Independent Auditor's Report

To the Readers of Hauraki School's Financial Statements

For the Year Ended 31 December 2020

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 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board 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

HAURAKI SCHOOL

ANALYSIS OF VARIANCE 2020

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 2019 analysed literacy and numeracy data.

SPECIAL NEEDS

Target Group 1	Year 4 Writing Group (10 students)	Led By	Time Frame	Budget
Base Data	One student is well below expectation at 1B, one other is at 1P, four are at 1A, and four are at 2B the beginning of 2020.	Belinda	Terms 1 - 4	1.0 Teacher
Target Set	Overall aim is to accelerate these students so that at 1A and 2B students to meet curriculum expectation of 2P. The goal for the remaining students is to move at least one sub-level.			
Assessment Tool	E-asttle writing, Schonell Spelling, overall teacher judgement.			
Action	These children are to be 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.			
Result	By the end of the year the 1B student had moved to 1A and the 1P student had moved to 1A. Of the four 1A's, one was still 1A at the end of the year, one had moved one sub-level to 2B. Another moved two sub-levels to 2P, and another three sub-levels to 2A. Both of the 2B students at the beginning of the year were still at 2B at the end of the year.			

	These results have been considered and most students will continue to receive small group instruction in 2021.			
Target Group 2	Year 5 Writing Group (10 students)			
Base Data	All students were at 2B at the beginning of the year and therefore functioning below expectation.	Christine	Terms 1 - 4	.56 Teacher
Target Set	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.			
Assessment Tool	asTTle, Schonell Spelling, PAT, overall teacher judgement.			
Action	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.			
Results	At the beginning of the year all students had an overall teacher judgement of 2B, and at the end of the year one student remained at that level. Two students had moved one sub-level to 2P, and the seven others all moved two sub-levels to 2A. Overall pleasing progress was made and these results highlight the benefits of small group tuition and specialist teaching.			
Target Group 3	Year 6 Writing Group (10 students)			
Base Data	At the beginning of the year three students were well below expectation at 2B, two students were at 2P, and five students were at 2A.	Christine	Terms 1 - 4	
Target Set	It is our aim to accelerate the progress of these students so that they are all achieving the expected level at 3P or within one sub-level of this by the end of the year.			
Assessment Tool	asTTle, Schonell Spelling, PAT, overall teacher judgement.			
Action	These children are to be withdrawn from their class four days a week during writing time to work with an experienced teacher according to individually identified needs. Ongoing monitoring is to take place.			

Results	<p>Of the the three 2B students, two had moved to 2P, and one had moved two sub-levels to 2A.</p> <p>Of the two 2P students at the beginning of the year, one moved one sub-level to 2A, and the other moved two sub-levels to 3B.</p> <p>All students at 2A in february moved one sub-level to 3B by the end of the year.</p> <p>Pleasing progress noted for these students but continued support is needed to ensure this continues.</p>			
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Target Group 4	Year 4 Maths Group (10 students)			
Base Data	At the beginning of the year one student had an OTJ of 1P, while the other ten students had an OTJ of 1A.	Belinda	Terms 1 - 4	
Target Set	Overall aim is to accelerate these students so that they all meet the curriculum expectation of 2P or better.			
Assessment Tool	asTTle, Gloss, Ikan and PAT, overall teacher judgement.			
Action	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.			
Results	<p>The 1P student at the beginning of the year moved three sub-levels and was working at Level 2P by the end of the year.</p> <p>Two 1A students achieved 1A at the end indicating very little progress made.</p> <p>Three students had progressed to level 2B.</p> <p>Of the remaining three students at 1A in February, two moved two sub-levels to 2P, and one other moved three sub-levels to 2A.</p> <p>Pleasing progress made but on going small group tuition is recommended for most of these students in 2021.</p>			
Target Group 5	Year 5 Maths Group (10 students)			
Base Data	At the beginning of the year eight students were below curriculum expectation at 2B, and two others were 2P.	Christine	Terms 1 - 4	

Target Set	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.			
Assessment Tool	asTTle, Gloss, Ikan and PAT, overall teacher judgement.			
Action	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.			
Results	By the end of the year one student was still working at Level 2B. Two others had moved one sub-level to 2P, and two students had moved two sub-levels to 2A. Three other students moved two sub-levels from 2B to 3B. One student moved from 2P to 2A, and the other two sub-levels from 2P to 3B. Pleasing results but most will continue within support in 2021.			
Target Group 6	Year 6 Maths Group (9 students)			
Base Data	At the beginning of the year two students were well below expectation at 2B. five were at 2A, and two were just below at 3B.	Christine	Terms 1 - 4	
Target Set	Overall aim is to accelerate these students to be meeting expectation by the end of the year i.e. 3P or late stage 6.			
Assessment Tool	asTTle, Gloss, Ikan and PAT, overall teacher judgement.			
Action	These children are to be withdrawn from their class four days a week during maths time to work with an experienced teacher according to individually identified needs. Ongoing monitoring is to take place.			
Results	Two 2B students had the beginning of the year achieved 2P by the end of the year. There were five 2A students at the beginning of the year, one of whom was the same at the end of the year, four achieved 3B at the end of the year, and one moved two sub-levels to 3P which is at curriculum expectation. One other student was 3B at the beginning and end of the year. Overall pleasing progress was made in this small focused group taught by a specialist teacher.			

HAURAKI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDING 31 DECEMBER 2020

Kiwi Sport Funding

Kiwi Sport funding of \$7,060.88 in 2020 was spent on providing all students with the opportunity to participate in a series of snag golf lessons, and also contributed towards the cost of gymnastics tuition for all classes across the school.

Clarinda Franklin
Principal