

HEREKINO SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	1013
Principal:	Virginia Shortland
School Address:	Kaitaia-Awaroa Road
School Postal Address:	Kaitaia-Awaroa Road RD 1, Kaitaia, 0481
School Phone:	09 409 3834
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Accountant / Service Provider:

Education  *Services.*
Dedicated to your school

HEREKINO SCHOOL

Annual Report - For the year ended 31 December 2021

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Members of the Board

Kiwisport

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Herekino 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.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

Herekino School Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	468,025	420,663	500,349
Locally Raised Funds	3	9,674	32,740	13,393
Interest Income		164	-	197
		<u>477,863</u>	<u>453,403</u>	<u>513,939</u>
Expenses				
Locally Raised Funds	3	2,681	11,600	7,424
Learning Resources	4	284,895	285,846	302,532
Administration	5	85,139	76,407	59,321
Finance		477	415	611
Property	6	9,221	94,281	80,830
Depreciation	9	15,681	14,729	15,374
		<u>398,094</u>	<u>483,278</u>	<u>466,092</u>
Net Surplus / (Deficit) for the year		79,769	(29,875)	47,847
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>79,769</u></u>	<u><u>(29,875)</u></u>	<u><u>47,847</u></u>

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

Herekino School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		201,099	162,445	153,252
Total comprehensive revenue and expense for the year		79,769	(29,875)	47,847
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		2,621	-	-
Equity at 31 December		283,489	132,570	201,099
Retained Earnings		283,489	132,570	201,099
Equity at 31 December		283,489	132,570	201,099

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.

Herekino School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	464,811	6,307	141,927
Accounts Receivable	8	16,929	16,560	20,733
Prepayments		2,527	2,112	2,247
Funds owed for Capital Works Projects	14	-	-	16,377
		484,267	24,979	181,284
Current Liabilities				
GST Payable		39,215	3,763	9,594
Accounts Payable	10	23,103	23,420	28,182
Revenue Received in Advance	11	-	-	31
Provision for Cyclical Maintenance	12	-	2,868	62,006
Finance Lease Liability	13	3,066	-	2,787
Funds held for Capital Works Projects	14	245,510	-	-
		310,894	30,051	102,600
Working Capital Surplus/(Deficit)		173,373	(5,072)	78,684
Non-current Assets				
Property, Plant and Equipment	9	110,654	137,642	126,019
		110,654	137,642	126,019
Non-current Liabilities				
Finance Lease Liability	13	538	-	3,604
		538	-	3,604
Net Assets		283,489	132,570	201,099
Equity		283,489	132,570	201,099

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

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

Herekino School Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		164,124	142,573	178,496
Locally Raised Funds		9,803	32,740	13,337
Goods and Services Tax (net)		29,621	-	5,831
Payments to Employees		(80,234)	(82,562)	(58,969)
Payments to Suppliers		(65,729)	(134,600)	(65,656)
Interest Paid		(477)	(415)	(611)
Interest Received		164	-	197
Net cash from/(to) Operating Activities		57,272	(42,264)	72,625
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		3,891	(33,480)	(12,539)
Net cash from/(to) Investing Activities		3,891	(33,480)	(12,539)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,621	-	-
Finance Lease Payments		(2,787)	(3,264)	(2,720)
Funds Administered on Behalf of Third Parties		261,887	-	(754)
Net cash from/(to) Financing Activities		261,721	(3,264)	(3,474)
Net increase/(decrease) in cash and cash equivalents		322,884	(79,008)	56,612
Cash and cash equivalents at the beginning of the year	7	141,927	85,315	85,315
Cash and cash equivalents at the end of the year	7	464,811	6,307	141,927

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.

Herekino School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Herekino 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 12.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 9.

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 are depreciated over their estimated useful lives on a straight line 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	40 years
Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 years
Leased Assets	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

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

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

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

m) 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.

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expenses.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Comprehensive Revenue and Expenses. The School holds sufficient funds to enable the funds to be used for their intended purpose.

r) 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.

s) 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.

t) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

u) 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.

v) Budget Figures

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

w) 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	158,348	133,573	142,766
Teachers' Salaries Grants	215,670	210,711	262,258
Use of Land and Buildings Grants	56,853	67,379	63,548
Other MoE Grants	37,154	9,000	31,777
	468,025	420,663	500,349

The school has opted in to the donations scheme for this year. Total amount received was \$4,800.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	-	1,220	281
Fees for Extra Curricular Activities	57	720	1,526
Trading	1,642	2,500	2,313
Fundraising & Community Grants	135	19,980	793
Other Revenue	7,840	8,320	8,480
	9,674	32,740	13,393
Expenses			
Extra Curricular Activities Costs	-	700	1,367
Trading	1,747	2,500	2,478
Fundraising & Community Grant Costs	-	-	555
Other Locally Raised Funds Expenditure	934	8,400	3,024
	2,681	11,600	7,424
<i>Surplus for the year Locally raised funds</i>	6,993	21,140	5,969

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	14,652	26,500	16,915
Equipment Repairs	257	2,000	1,215
Information and Communication Technology	256	1,500	1,158
Employee Benefits - Salaries	259,484	251,646	282,027
Staff Development	10,246	4,200	1,217
	284,895	285,846	302,532

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,991	4,600	4,537
Board Fees	1,795	3,450	2,360
Board Expenses	1,262	4,150	1,686
Communication	1,763	2,780	2,002
Consumables	2,684	4,250	2,530
Operating Lease	-	3,500	-
Other	4,740	7,050	7,385
Employee Benefits - Salaries	35,394	41,627	34,224
Insurance	356	-	301
Service Providers, Contractors and Consultancy	4,356	5,000	4,296
Healthy School Lunch Programme	27,798	-	-
	<u>85,139</u>	<u>76,407</u>	<u>59,321</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	2,826	3,100	1,043
Cyclical Maintenance Provision	(62,006)	6,202	3,708
Grounds	4,123	6,700	3,945
Heat, Light and Water	6,604	5,550	6,531
Repairs and Maintenance	512	1,200	1,496
Use of Land and Buildings	56,853	67,379	63,548
Security	309	650	559
Consultancy And Contract Services	-	3,500	-
	<u>9,221</u>	<u>94,281</u>	<u>80,830</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	464,811	6,307	141,927
Cash and cash equivalents for Statement of Cash Flows	<u>464,811</u>	<u>6,307</u>	<u>141,927</u>

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

Of the \$464,811 Cash and Cash Equivalents \$245,510 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.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	73	160
Receivables from the Ministry of Education	2,733	-	-
Teacher Salaries Grant Receivable	14,196	16,487	20,573
	<u>16,929</u>	<u>16,560</u>	<u>20,733</u>
Receivables from Exchange Transactions	2,733	73	160
Receivables from Non-Exchange Transactions	14,196	16,487	20,573
	<u>16,929</u>	<u>16,560</u>	<u>20,733</u>

9. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Land	8,580	-	-	-	-	8,580
Buildings	50,247	-	-	-	(5,294)	44,953
Building Improvements	15,293	-	-	-	(896)	14,397
Furniture and Equipment	37,087	3,874	(3,575)	-	(4,481)	32,905
Information and Communication Technology	7,526	-	-	-	(3,251)	4,275
Leased Assets	7,228	-	-	-	(1,700)	5,528
Library Resources	58	17	-	-	(59)	16
Balance at 31 December 2021	<u>126,019</u>	<u>3,891</u>	<u>(3,575)</u>	<u>-</u>	<u>(15,681)</u>	<u>110,654</u>

The net carrying value of equipment held under a finance lease is \$5,528 (2020: \$7,228)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Land	8,580	-	8,580	8,580	-	8,580
Buildings	140,152	(95,199)	44,953	140,152	(89,905)	50,247
Building Improvements	35,839	(21,442)	14,397	35,839	(20,546)	15,293
Furniture and Equipment	73,730	(40,825)	32,905	73,431	(36,344)	37,087
Information and Communication Technology	26,100	(21,825)	4,275	26,100	(18,574)	7,526
Leased Assets	8,500	(2,972)	5,528	8,500	(1,272)	7,228
Library Resources	62,109	(62,093)	16	62,092	(62,034)	58
Balance at 31 December	<u>355,010</u>	<u>(244,356)</u>	<u>110,654</u>	<u>354,694</u>	<u>(228,675)</u>	<u>126,019</u>

10. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	3,530	1,388	1,424
Accruals	4,991	4,404	4,537
Employee Entitlements - Salaries	14,196	16,487	20,573
Employee Entitlements - Leave Accrual	386	1,141	1,648
	<u>23,103</u>	<u>23,420</u>	<u>28,182</u>
Payables for Exchange Transactions	23,103	23,420	28,182
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>23,103</u>	<u>23,420</u>	<u>28,182</u>

The carrying value of payables approximates their fair value.

11. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Other Received In Advance	-	-	31
	<u>-</u>	<u>-</u>	<u>31</u>

12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	62,006	64,874	58,298
Increase to the Provision During the Year	-	6,202	5,994
Adjustment to the Provision	(62,006)	-	(2,286)
Use of the Provision During the Year	-	(68,208)	-
Provision at the End of the Year	<u>-</u>	<u>2,868</u>	<u>62,006</u>
Cyclical Maintenance - Current	-	2,868	62,006
Cyclical Maintenance - Term	-	-	-
	<u>-</u>	<u>2,868</u>	<u>62,006</u>

13. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	3,264	-	3,264
Later than One Year and no Later than Five Years	544	-	3,808
Future finance charges	(204)	-	(681)
	3,604	-	6,391

Represented by

Finance lease liability - Current	3,066	-	2,787
Finance lease liability - Term	538	-	3,604
	3,604	-	6,391

14. Funds Held (Owed) for Capital Works Projects

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

	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
2021						
School Upgrade		(14,617)	-	14,617	-	-
Roofing & Pool Works income	226732	(1,760)	58,525	(56,765)	-	-
SIPS Playground	221815	-	45,000	(4,825)	-	40,175
Redevelopment	233347	-	204,300	(8,589)	-	195,711
Septic System Replacement	233348	-	11,000	(1,376)	-	9,624
Totals		(16,377)	318,825	(56,938)	-	245,510

Represented by:

Funds Held on Behalf of the Ministry of Education	245,510
Funds Due from the Ministry of Education	-
	245,510

	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
2020						
School Upgrade		(15,623)	-	1,006	-	(14,617)
Roofing & Pool Works income	226732	-	-	(1,760)	-	(1,760)
Totals		(15,623)	-	(754)	-	(16,377)

15. 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.

16. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	1,795	2,360
<i>Leadership Team</i>		
Remuneration	119,855	118,055
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	121,650	120,415

There are 5 members of the Board excluding the Principal. The Board had held 5 full meetings of the Board in the year. The Board also has Finance (5 members) and Property (5 members) that met 5 and 5 times respectively. As well as these regular meetings, including preparation time, the Presiding Member 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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	-	-
	0.00	0.00

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

17. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

18. 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.

19. Commitments

(a) Capital Commitments

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

\$50,000 contract for the SIPS Playground as agent for the Ministry of Education. This project is fully funded by the Ministry and \$45,000 has been received of which \$4,825 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$1,951,554 contract for the Redevelopment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$204,300 has been received of which \$8,589 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$110,000 contract for the Septic System Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$11,000 has been received of which \$1,376 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

\$1,951,554 contract for the School Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$14,617 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$71,324 contract for the Roofing & Pool Works income as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$1,760 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

20. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	464,811	6,307	141,927
Receivables	16,929	16,560	20,733
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	481,740	22,867	162,660

Financial liabilities measured at amortised cost

Payables	23,103	23,420	28,182
Finance Leases	3,604	-	6,391
Total Financial Liabilities Measured at Amortised Cost	26,707	23,420	34,573

21. Events After Balance Date

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

22. Comparatives

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

23. COVID 19 Pandemic on going implications

Impact of Covid-19

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

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

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

Impact on operations

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

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

Reduction in locally raised funds

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

Increased Remote learning additional costs

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

Herekino School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Michael Ormsby	Presiding Member	Elected	Sep 2022
Virginia Shortland	Principal		
Andrea Ihaka	Parent Representative	Select One	Sep 2022
Ben Morning	Parent Representative	Elected	Sep 2022
Lucy Waru	Parent Representative	Elected	Sep 2022
Tinaka Pawa	Staff Representative	Elected	Dec 2021

Herekino School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$547 (excluding GST). The funding was spent on sporting endeavours.