

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF HATO PAORA COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Hato Paora College (the School). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of Cotton Kelly Smit Limited (CKS Audit), 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 17, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance, the Kiwisport Statement, the list of Trustees and the Statement of Responsibility, 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.

In addition to the audit, we are responsible for the audit of the Proprietor, the Hato Paora Trust Board. This audit is compatible with independence requirements. Other than this audit and the audit of the Proprietor, we have no relationship with, or interests in the School.

Vivien Cotton
CKS Audit
On behalf of the Auditor-General
Palmerston North, New Zealand

HATO PĀORA COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	199
Principal:	Nathan Matthews
School Address:	1314 Kimbolton Road, RD 7, Cheltenham 4777
School Postal Address:	1314 Kimbolton Road, RD 7, Cheltenham 4777
School Phone:	06 328 9731
School Email:	principal@hatopaora.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Shamia Makarini	Co-Presiding Member	Elected	2022
Rama Rewi	Co-Presiding Member	Elected	2022
Chelsea Grootveld	Parent Representative	Co-opted	2022
Nathan Matthews	Principal	Appointed	
Wayne Makarini	Parent Representative	Elected	2022
Jamie Towler	Parent Representative	Elected	Resigned Feb 2021
Tiro Henare	Parent Representative	Elected	Resigned Feb 2021
Hine Tipoki-Lawton	Proprietors Appointee	Appointed by the Bishop	2022
Dean Wilson	Proprietors Appointee	Appointed by the Bishop	2022
Clair Twomey	Teacher Representative	Elected	2022
Phil Waihi	Parent Representative	Elected	2022
Hama Nepe-Apatu	Parent Representative	Elected	2022
Ria Tomoana	Proprietors Appointee	Appointed by the Bishop	2022
Frances Lawton	Proprietors Appointee	Appointed by the Bishop	2022

Accountant / Service Provider:	Openbook Solutions Limited
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HATO PĀORA COLLEGE

Annual Report - For the year ended 31 December 2021

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Hato Pāora College

Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the school.

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

Frances Dagg

Full Name of Presiding Member



Signature of Presiding Member

23 May 2022

Date:

Dr Nathan Matthews

Full Name of Principal



Signature of Principal

23 May 2022

Date:

Hato Pāora College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,151,218	1,836,173	2,029,210
Locally Raised Funds	3	118,148	129,700	88,927
Use of Proprietor's Land and Buildings		153,401	245,425	245,425
Interest income		334	1,100	391
		<u>2,423,101</u>	<u>2,212,398</u>	<u>2,363,953</u>
Expenses				
Locally Raised Funds	3	114,345	110,200	77,315
Learning Resources	4	1,430,449	1,381,800	1,262,045
Administration	5	321,562	243,372	206,504
Finance		3,354	0	3,471
Property	6	381,701	400,904	429,464
Depreciation	10	82,901	73,632	67,039
Loss on Disposal of Property, Plant and Equipment		4,480	0	1,306
Loss on Uncollectable Accounts Receivable		4,565	0	5,874
		<u>2,343,357</u>	<u>2,209,908</u>	<u>2,053,018</u>
Net Surplus / (Deficit) for the year		79,744	2,490	310,935
Other Comprehensive Revenue and Expense		0	0	0
Total Comprehensive Revenue and Expense for the Year		<u>79,744</u>	<u>2,490</u>	<u>310,935</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.



Hato Pāora College

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		643,661	643,661	328,036
Total comprehensive revenue and expense for the year		79,744	2,490	310,935
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		4,492	4,690	4,690
Equity at 31 December		727,897	650,841	643,661
Retained Earnings		727,897	650,841	643,661
Equity at 31 December		727,897	650,841	643,661

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.



Hato Pāora College

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	7	513,122	458,044	491,334
Accounts Receivable	8	192,806	147,500	189,198
GST Receivable		11,126	2,500	6,261
Prepayments		19,071	15,000	29,234
Inventories	9	31,772	20,000	21,943
		767,897	643,044	737,970
Current Liabilities				
Accounts Payable	11	154,080	120,000	134,360
Revenue Received in Advance	12	88,562	85,000	87,022
Provision for Cyclical Maintenance	13	136,564	34,563	92,001
Finance Lease Liability	14	12,681	11,531	12,919
Funds held in Trust	15	654	0	0
		392,541	251,094	326,302
Working Capital Surplus/(Deficit)		375,356	391,950	411,668
Non-current Assets				
Property, Plant and Equipment	10	381,525	279,128	302,760
		381,525	279,128	302,760
Non-current Liabilities				
Provision for Cyclical Maintenance	13	11,838	5,564	44,563
Finance Lease Liability	14	17,146	14,673	26,204
		28,984	20,237	70,767
Net Assets		727,897	650,841	643,661
Equity		727,897	650,841	643,661

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



Hato Pāora College

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		875,952	636,173	802,750
Locally Raised Funds		102,519	129,700	85,019
Goods and Services Tax (net)		(4,865)	3,761	(6,077)
Funds Administered on Behalf of Third Parties		654	0	0
Payments to Employees		(260,918)	(249,830)	(212,994)
Payments to Suppliers		(502,954)	(499,486)	(470,796)
Interest Paid		(3,354)	0	(3,471)
Interest Received		334	1,100	391
Net cash from Operating Activities		207,368	21,418	194,822
Cash flows from Investing Activities				
Purchase of Property, Plant & Equipment (and Intangibles)		(180,607)	(50,000)	(122,824)
Net cash from Investing Activities		(180,607)	(50,000)	(122,824)
Cash flows from Financing Activities				
Furniture and Equipment Grant		4,492	4,690	4,690
Finance Lease Payments		(9,465)	(9,398)	(12,181)
Net cash from Financing Activities		(4,973)	(4,708)	(7,491)
Net increase/(decrease) in cash and cash equivalents		21,788	(33,290)	64,507
Cash and cash equivalents at the beginning of the year	7	491,334	491,334	426,827
Cash and cash equivalents at the end of the year	7	513,122	458,044	491,334

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.



Hato Pāora College

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Cyclical maintenance provision

A school recognises its obligation to maintain the Proprietor'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 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.

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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 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) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Furniture and equipment	0–20 years
Information and communication technology	4–10 years
Motor vehicles	8–10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

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



k) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Employee Entitlements*Short-term employee entitlements*

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

m) Revenue Received in Advance

Revenue received in advance relates to fees received from students in advance 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.

n) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

o) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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.

p) Financial Instruments

The School's financial assets comprise cash and cash equivalents and accounts receivable. All of these financial assets are categorised as "financial assets measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	692,644	628,937	732,251
Teachers' Salaries Grants	1,351,090	1,200,000	1,250,742
Other MoE Grants	96,619	7,236	29,806
Other Government Grants	10,865	0	16,410
	2,151,218	1,836,173	2,029,210

The school has opted in to the donations scheme for this year. Total amount received was \$17,100 (2020; \$18,750).

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	1,487	3,000	2,940
Fees for Extra Curricular Activities	19,426	17,000	8,404
Trading	35,588	36,200	24,622
Fundraising and Community Grants	7,819	19,000	8,903
Other Revenue	53,828	54,500	44,059
	118,148	129,700	88,927
Expenses			
Extra Curricular Activities Costs	71,722	64,000	43,314
Trading	42,535	41,200	29,617
Fundraising and Community Grant Costs	88	5,000	4,384
	114,345	110,200	77,315
Surplus/ (Deficit) for the year Locally raised funds	3,803	19,500	11,613

4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	43,934	60,500	30,868
Equipment Repairs	1,354	500	0
Information and Communication Technology	5,188	11,000	8,927
Library Resources	0	500	0
Employee Benefits - Salaries	1,358,207	1,282,000	1,215,205
Staff Development	21,766	27,300	7,045
	1,430,449	1,381,800	1,262,045



5. Administration

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Audit Fee	6,976	8,000	6,773
Board Fees	0	5,060	0
Board Expenses	14,169	24,390	9,848
Communication	4,315	3,800	2,535
Consumables	4,812	17,500	6,617
Legal Fees	0	1,500	0
Lunch in Schools	71,834	0	0
Other	42,809	34,680	39,471
Employee Benefits - Salaries	145,124	117,442	113,246
Insurance	12,383	13,000	9,622
Service Providers, Contractors and Consultancy	19,140	18,000	18,393
	321,562	243,372	206,504

6. Property

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	11,851	11,086	20,024
Consultancy and Contract Services	21,882	2,000	9,417
Cyclical Maintenance Provision	11,838	5,564	15,724
Grounds	9,521	11,500	8,617
Heat, Light and Water	29,019	30,000	26,992
Repairs and Maintenance	88,712	43,941	55,796
Use of Land and Buildings	153,401	245,425	245,425
Security	430	1,000	361
Employee Benefits - Salaries	55,047	50,388	47,108
	381,701	400,904	429,464

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	513,122	458,044	491,334
Cash and cash equivalents for Statement of Cash Flows	513,122	458,044	491,334

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



8. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	88,999	77,500	71,830
Provision for Uncollectable Debts	(56,260)	(40,000)	(51,696)
Banking Staffing Underuse	56,575	25,000	80,344
Teacher Salaries Grant Receivable	103,492	85,000	88,719
	192,806	147,500	189,198
Receivables from Exchange Transactions	32,739	37,500	20,135
Receivables from Non-Exchange Transactions	160,067	110,000	169,063
	192,806	147,500	189,198

Provision for Collectability

Hato Pāora College has receivables with a gross carrying amount of \$88,999 at 31 December 2021. Careful analysis of these receivables has shown the following:

Past Due Days	\$ Amount	% Estimate of Losses	\$ Expected Credit Loss
Current	21,699	0%	0
< 6 months	4,026	0%	10
6 months - 1 year	6,909	21%	1,479
1 - 2 years	3,781	58%	2,187
> 2 years	52,584	100%	52,584
Total	88,999		56,260

9. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
School Uniforms	31,772	20,000	21,943
	31,772	20,000	21,943

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Furniture and Equipment	194,625	95,282	(4,480)	0	(43,317)	242,111
Information and Communication	47,204	26,245	0	0	(19,250)	54,199
Motor Vehicles	21,318	40,861	0	0	(6,391)	55,788
Leased Assets	38,618	3,758	0	0	(13,819)	28,557
Library Resources	995	0	0	0	(124)	870
Balance at 31 December 2021	302,760	166,146	(4,480)	0	(82,901)	381,525

The net carrying value of equipment held under a finance lease is \$28,557 (2020: \$38,618)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	455,132	(213,021)	242,111	431,710	(237,085)	194,625
Information and Communication	127,835	(73,636)	54,199	135,642	(88,438)	47,204
Motor Vehicles	120,939	(65,151)	55,788	80,078	(58,760)	21,318
Leased Assets	51,472	(22,915)	28,557	51,304	(12,686)	38,618
Library Resources	3,274	(2,404)	870	81,127	(80,132)	995
Balance at 31 December	758,652	(377,127)	381,525	779,861	(477,101)	302,760



11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	29,278	21,000	31,138
Accruals	9,287	9,000	9,554
Employee Entitlements - Salaries	103,492	85,000	88,719
Employee Entitlements - Leave Accrual	12,023	5,000	4,949
	154,080	120,000	134,360
Payables for Exchange Transactions	154,080	120,000	134,360
	154,080	120,000	134,360

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other Revenue in Advance	88,562	85,000	87,022
	88,562	85,000	87,022

13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	136,564	136,564	247,857
Increase/ (decrease) to the Provision During the Year	11,838	5,564	5,564
Use of the Provision During the Year	0	(102,001)	(116,857)
Provision at the End of the Year	148,402	40,127	136,564
Cyclical Maintenance - Current	136,564	34,563	92,001
Cyclical Maintenance - Term	11,838	5,564	44,563
	148,402	40,127	136,564

14. 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	15,080	13,000	16,226
Later than One Year and no Later than Five Years	18,925	16,500	29,822
Later than Five Years	0	0	0
Future Finance Charges	(4,178)	(3,296)	(6,925)
	29,827	26,204	39,123
Represented by			
Finance lease liability - Current	12,681	11,531	12,919
Finance lease liability - Term	17,146	14,673	26,204
	29,827	26,204	39,123



15. Funds held in Trust

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	654	0	0
	<u>654</u>	<u>0</u>	<u>0</u>

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

16. Related Party Transactions

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

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

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

a) The College received funding from the Ministry for Boarding Allowance Schemes to the value of \$657,185 which was duly transferred to the Trust Board (2020: \$596,311).

b) The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2021 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings."

c) During the year the Trust Board paid the wages of some support staff of the College and these were reimbursed on invoices totalling \$2,923 (2020: \$7,189).

d) During the year the College paid the wages of some support staff of the Trust Board and these were reimbursed on invoices totalling \$51,776 (2020: \$42,430).

e) During the year the Trust Board incurred various administrative and operational expenses for the College and these were reimbursed on invoice totalling \$34,281 (2020: \$36,150).

f) During the year the College incurred various administrative and operational expenses for the Trust Board and these were reimbursed on invoice totalling \$28,462 (2020: \$7,635).

g) The College joined the Lunches in Schools programme for term 3 and 4 in 2021, the Trust Board provided the lunches and invoiced the College \$71,834 (2020: nil).

h) During the year the Tumuaki was also employed by the Trust Board for management and overall duty of care responsibilities at the hostel. By agreement, the Board pays the Tumuaki \$40,000 per annum (2020: \$30,000) to cover his responsibilities to the Board. In addition the Trust Board provided accommodation for the Tumuaki to the value of \$14,025 (2020: \$14,025).

i) At the end of the year the College owed the Trust Board \$0 (2020: \$0) and the College was owed \$22,885 by the Trust Board (2020: \$7,570).



17. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	0	0
<i>Leadership Team</i>		
Remuneration	1,053,022	951,897
Full-time equivalent members	10.00	9.64
Total key management personnel remuneration	1,053,022	951,897

There are 11 members of the Board excluding the Principal. The Board had held 6 full meetings of the Board in the year. The Board also has a Finance committee (2 members) that meet monthly. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal	120 - 130	120 - 130
Benefits and Other Emoluments - Principal	0 - 5	0 - 5
Termination Benefits	0	0

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	4	2
110 - 120	1	1
	5	3

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

18. 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 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:

	2021 Actual	2020 Actual
Total	0	6,500
Number of People	0	1

19. 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.



20. Commitments

(a) Capital Commitments

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

(a) In November 2021 the Board accepted a quote for \$70,000 for the artificial turf.

(Capital commitments at 31 December 2020: \$17,979)

(b) Operating Commitments

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

(a) Painting;

(b) Cleaning;

	2021 Actual \$	2020 Actual \$
No later than One Year	117,537	116,963
Later than One Year and No Later than Five Years	0	14,333
Later than Five Years	0	0
	117,537	131,296

21. 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	513,122	458,044	491,334
Receivables	192,806	147,500	189,198
Total Financial assets measured at amortised cost	705,928	605,544	680,532

Financial liabilities measured at amortised cost

Payables	154,080	120,000	134,360
Finance Leases	29,827	26,204	39,123
Total Financial Liabilities Measured at Amortised Cost	183,907	146,204	173,483

22. Events After Balance Date

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

23. Comparatives

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



24. 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 fundraising 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.



Hato Pāora College
Kiwisport

For the Year ended 31 December 2021

Kiwisport is a Government funding initiative to support students' participation in and accessibility to organised sport. In 2021, the school received \$2010 (excluding GST). The funding was spent on travel to local competitions. Having travel available is helping to increase our sport participation.

Analysis of Variance 2021

Hato Pāora College

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The 2021 school year continued to present a number of challenges, largely associated with Covid-19. As a full boarding school this impacted our students across all academic, cultural and sporting activities. Overall we still managed to achieve well across our strategic and annual goals and this is attribute to the hardwork and resilience of our taura and kaimahi (both School and Hostel).

Strategic Aim 1:

To continually improve our academic performance

Annual Aims:

- 1.1 Our students are achieving above national averages (Māori boys) in NCEA
- 1.2 Increased achievement in NCEA External Standards
- 1.3 Our junior school achieves accelerated progression in literacy and numeracy

Annual Targets:

- a) NCEA Level 1 85% pass rate
- b) NCEA Level 2 90% pass rate
- c) NCEA Level 3 90% pass rate
- d) University Entrance 75% pass rate
- e) A 50% increase in Merit or higher Endorsements at NCEA Level 1,2 & 3
- f) All junior students progress at least 2 sub levels in literacy and numeracy

Analysis:

Covid-19 again played a part in our academic achievement rates, although we did our best to prepare and execute online learning to offset the impact.

In terms of our annual targets we met our NCEA Level 1 target and were just under our NCEA Level 2 & 3 targets. This was largely due to students who left during the year but are still reported against our results. If we only counted those students that finished the year at our Kura we would have met all of our NCEA targets. This is the same for UE where we gained a 70% pass rate but had a 75% target. This is still well above the national average for Māori students which was 30.9% in 2021.

We do not yet have the endorsement information available but are expecting an increase from 2020 whilst probably still not meeting the target.

We met our junior targets for almost all students with only a small percentage not gaining the targeted 2 sub level increase.

Strategic Aim 2:

To increase our roll to 165 full-time students

Annual Aims:

- 2.1 We clearly articulate our aspirations and expectations in school documentation
- 2.2 We implement fit for purpose marketing within our target communities and catchments
- 2.3 Provide funding support information to new and existing whānau

Annual Targets:

- a) Net gain of 5 students each academic year
- b) Increased retention of students
- c) Targeted marketing and recruitment events
- d) Whānau are supported in accessing MoE and Iwi funding support

Analysis:

We had more students than usual leave the School during the 2021 school year. This was due to some behaviour and discipline challenges in the Hostel and the lingering effects of Covid and some whānau wanting their sons at home. We do not expect this to be a trend and our school roll will increase for 2022.

Strategic Aim 3:

To enhance our reputation for producing great young Māori men, strong in their Catholic and Marist values

Annual Aims:

- 3.1 A positive school spirit and culture is developed
- 3.2 The school values and vision are instilled into everyday kura life
- 3.3 Students participate in appropriate social and sports opportunities
- 3.4 Students have enhanced opportunities to engage in cultural and spiritual activities that promote its traditions and values

Annual Targets:

- a) Achievements of recent graduates will be highlighted and promoted on School website and social media
- b) Year 13s will attend MYL leadership wānanga, selected Year 12s will attend MYN programme, selected Year 11s attend Hokianga haerenga
- c) School miha enhanced and redeveloped
- d) The school will participate in Palmerston North Diocese Māori Miha
- e) Paoratanga is an explicit part of school operation systems and processes

Analysis:

These targets were met except in the cases where it was out of our control. We participated in all of the MYL/MYN programme that was offered, although most of it was cancelled. The Māori Miha were also cancelled which precluded our involvement. Wherever possible we promoted the achievements of our recent graduates, particularly in regard to their sporting achievements which tend to be the most readily available and visible. We continue to develop and incorporate our special character (Paoratanga) into all systems and processes, wherever possible.

Strategic Aim 4:

To improve our facilities

Annual Aims:

- 4.1 Resources are allocated to meet strategic objectives
- 4.2 Resources are allocated to support teaching and learning
- 4.3 Resources are allocated to enhance our dual special character

Annual Targets:

- a) Special character icons and taonga are restored and maintained
- b) Cyclical maintenance is completed on time
- c) Learning environments are updated and maintained

d) The 10YPP are current and adhered too

Analysis:

We made planning progress in this area which will come to fruition in 2022. Our 10YPP has been updated and will incorporate significant investment and upgrades of learning spaces. Our painting programme will be up to date in 2022.

Strategic Aim 5:

To win the confidence of our communities

Annual Aims:

- 5.1 The community identifies with the school and its vision
- 5.2 Whānau feel they are in partnership with the school
- 5.3 Student and school success are shared with the school community

Annual Targets:

- a) Achievements of the students and the Kura are celebrated and publicised
- b) Reporting cycle will be adapted to provide more current, regular communication to parents
- c) Online communication platforms will be consistently used
- d) School events are well advertised and whānau and community participation encouraged

Analysis:

We continued to use social media and our school website to ensure whānau received current and relevant updates of school activity and events. We used livestreaming again for one of our signature events. For those school events we were able to hold we had good whānau attendance and participation, this included our House Kapa Haka Competitions and our Open Day.