

GLENHOLME SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 1724

Principal: Sarah Thompson

School Address: 149 Ranolf Street, Glenholme

School Postal Address: 149 Ranolf Street, Glenholme, Rotorua, 3010

School Phone: 07 348 1489

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Accountant / Service Provider:

Education  Services.
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GLENHOLME SCHOOL

Annual Report - For the year ended 31 December 2021

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Members of the Board

Kiwisport

Analysis of Variance

Glenholme 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.

Kihi (Kapie) Lorenzo Pomare Tawhai

Full Name of Presiding Member



Signature of Presiding Member

31/05/2022

Date:

Sarah Joy Thompson

Full Name of Principal



Signature of Principal

31/05/22

Date:

Glenholme School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	3,539,055	3,043,208	3,376,317
Locally Raised Funds	3	146,965	133,200	105,864
Interest Income		4,606	2,000	4,241
Gain on Sale of Property, Plant and Equipment		16,502	-	-
		<u>3,707,128</u>	<u>3,178,408</u>	<u>3,486,422</u>
Expenses				
Locally Raised Funds	3	43,872	86,000	23,989
Learning Resources	Jun-19	2,345,730	2,210,061	2,290,430
Administration	5	514,585	187,100	267,258
Finance		1,957	948	1,848
Property	6	552,012	679,527	626,562
Depreciation	11	109,531	88,888	87,132
Loss on Disposal of Property, Plant and Equipment		3,698	-	1,642
		<u>3,571,385</u>	<u>3,252,524</u>	<u>3,298,861</u>
Net Surplus / (Deficit) for the year		135,743	(74,116)	187,561
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>135,743</u></u>	<u><u>(74,116)</u></u>	<u><u>187,561</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.

Glenholme 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		989,176	778,532	779,301
Total comprehensive revenue and expense for the year		135,743	(74,116)	187,561
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		-	-	22,314
Equity at 31 December		1,124,919	704,416	989,176
Retained Earnings		1,124,919	704,416	989,176
Equity at 31 December		1,124,919	704,416	989,176

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.

Glenholme 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	695,181	165,191	408,298
Accounts Receivable	8	176,853	139,409	162,492
GST Receivable		-	7,000	1,928
Prepayments		14,761	8,398	15,666
Inventories	9	76	167	96
Investments	10	158,317	154,247	156,948
Funds owed for Capital Works Projects	17	-	-	18,910
		1,045,188	474,412	764,338
Current Liabilities				
GST Payable		117	-	-
Accounts Payable	12	163,385	153,468	183,073
Revenue Received in Advance	Jun-19	977	3,030	15,989
Provision for Cyclical Maintenance	14	11,047	32,827	33,348
Finance Lease Liability	15	37,333	19,657	26,034
Funds held in Trust	16	18,155	17,361	18,517
Funds held for Capital Works Projects	17	174,923	-	-
		405,937	226,343	276,961
Working Capital Surplus/(Deficit)		639,251	248,069	487,377
Non-current Assets				
Property, Plant and Equipment	11	563,965	481,852	536,061
		563,965	481,852	536,061
Non-current Liabilities				
Provision for Cyclical Maintenance	14	28,292	-	17,066
Finance Lease Liability	15	50,005	25,505	17,196
		78,297	25,505	34,262
Net Assets		1,124,919	704,416	989,176
Equity		1,124,919	704,416	989,176

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

Glenholme 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		894,208	711,126	871,678
Locally Raised Funds		139,104	90,000	107,549
Goods and Services Tax (net)		2,045	-	5,072
Payments to Employees		(557,136)	(420,000)	(446,101)
Payments to Suppliers		(300,602)	(294,930)	(268,103)
Interest Paid		(1,957)	(948)	(1,848)
Interest Received		4,606	2,000	4,241
Net cash from/(to) Operating Activities		180,268	87,248	272,488
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)	Jun-19	(56,647)	(58,000)	(46,251)
Purchase of Investments		(1,369)	-	(2,701)
Net cash from/(to) Investing Activities		(58,016)	(58,000)	(48,952)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	22,314
Finance Lease Payments		(28,954)	(25,594)	(18,310)
Funds Administered on Behalf of Third Parties		193,585	-	19,221
Net cash from/(to) Financing Activities		164,631	(25,594)	23,225
Net increase/(decrease) in cash and cash equivalents		286,883	3,654	246,761
Cash and cash equivalents at the beginning of the year	7	408,298	161,537	161,537
Cash and cash equivalents at the end of the year	7	695,181	165,191	408,298

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.

Glenholme School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Glenholme 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 14.

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 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Library Resources	12.5% DV
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	741,944	572,000	670,813
Teachers' Salaries Grants	1,888,171	1,851,161	1,950,033
Use of Land and Buildings Grants	381,827	480,921	468,263
Other MoE Grants	510,754	139,126	287,208
Other Government Grants	16,359	-	-
	3,539,055	3,043,208	3,376,317

The school has opted in to the donations scheme for this year. Total amount received was \$53,100.

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	892	-	9,989
Fees for Extra Curricular Activities	40,354	47,850	12,841
Trading	763	350	403
Fundraising & Community Grants	73,487	54,000	54,789
Other Revenue	31,469	31,000	27,842
	146,965	133,200	105,864
Expenses			
Extra Curricular Activities Costs	42,888	85,700	23,433
Trading	163	300	71
Fundraising & Community Grant Costs	821	-	485
	43,872	86,000	23,989
<i>Surplus for the year Locally raised funds</i>	103,093	47,200	81,875

43617. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	49,731	68,200	37,397
Library Resources	69	500	151
Employee Benefits - Salaries	2,269,076	2,108,661	2,235,452
Staff Development	11,008	15,800	5,822
Equipment Repairs	15,846	16,900	11,608
	2,345,730	2,210,061	2,290,430

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,580	4,850	4,848
Board Fees	3,075	3,500	3,130
Board Expenses	9,706	16,750	14,966
Communication	5,106	6,000	4,258
Consumables	6,746	8,900	9,278
Operating Lease	737	800	737
Other	12,537	19,200	15,433
Employee Benefits - Salaries	107,840	103,500	103,241
Insurance	9,116	9,100	11,887
Service Providers, Contractors and Consultancy	13,920	14,500	13,920
Healthy School Lunch Programme	340,222	-	85,560
	514,585	187,100	267,258

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	12,185	14,500	17,006
Cyclical Maintenance Provision	(11,075)	15,606	(10,595)
Grounds	16,382	19,500	14,100
Heat, Light and Water	24,760	22,000	21,737
Rates	10,733	7,000	8,720
Repairs and Maintenance	19,179	21,000	12,673
Use of Land and Buildings	381,827	480,921	468,263
Security	6,183	5,000	5,299
Employee Benefits - Salaries	58,238	59,000	55,759
Consultancy And Contract Services	33,600	35,000	33,600
	552,012	679,527	626,562

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	695,181	165,191	408,298
Cash and cash equivalents for Statement of Cash Flows	695,181	165,191	408,298

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

Of the \$695,181 Cash and Cash Equivalents \$225,182 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	9,245	-	7,317
Receivables from the Ministry of Education	11,192	-	-
Banking Staffing Underuse	10,150	1,473	-
Teacher Salaries Grant Receivable	146,266	137,936	155,175
	<u>176,853</u>	<u>139,409</u>	<u>162,492</u>
Receivables from Exchange Transactions	20,437	-	7,317
Receivables from Non-Exchange Transactions	156,416	139,409	155,175
	<u>176,853</u>	<u>139,409</u>	<u>162,492</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	76	167	96
	<u>76</u>	<u>167</u>	<u>96</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	158,317	154,247	156,948
Total Investments	<u>158,317</u>	<u>154,247</u>	<u>156,948</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	293,005	-	-	-	(21,638)	271,367
Furniture and Equipment	151,489	22,997	(136)	-	(26,383)	147,967
Information and Communication Technolog	33,547	2,729	(3,562)	-	(15,130)	17,584
Motor Vehicles	1,531	27,565	-	-	(2,698)	26,398
Leased Assets	42,614	89,540	(2,899)	-	(41,800)	87,455
Library Resources	13,875	1,201	-	-	(1,882)	13,194
Balance at 31 December 2021	536,061	144,032	(6,597)	-	(109,531)	563,965

The net carrying value of equipment held under a finance lease is \$87,455 (2020: \$42,614)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	639,160	(367,793)	271,367	639,160	(346,155)	293,005
Furniture and Equipment	330,724	(182,757)	147,967	309,158	(157,669)	151,489
Information and Communication Technolog	157,176	(139,592)	17,584	162,436	(128,889)	33,547
Motor Vehicles	35,745	(9,347)	26,398	25,566	(24,035)	1,531
Leased Assets	137,588	(50,133)	87,455	159,468	(116,854)	42,614
Library Resources	44,389	(31,195)	13,194	43,189	(29,314)	13,875
Balance at 31 December	1,344,782	(780,817)	563,965	1,338,977	(802,916)	536,061

12. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	7,846	4,639	19,305
Accruals	4,778	4,708	4,098
Employee Entitlements - Salaries	146,266	137,936	155,175
Employee Entitlements - Leave Accrual	4,495	6,185	4,495
	163,385	153,468	183,073
Payables for Exchange Transactions	163,385	153,468	183,073
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	163,385	153,468	183,073

The carrying value of payables approximates their fair value.

43617. Revenue Received in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Income in Advance	977	3,030	15,989
	977	3,030	15,989
	977	3,030	15,989

14. Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	50,414	17,221	61,009
Increase to the Provision During the Year	14,087	15,606	14,127
Adjustment to the Provision	(25,162)	-	(24,722)
Provision at the End of the Year	39,339	32,827	50,414
	39,339	32,827	50,414
Cyclical Maintenance - Current	11,047	32,827	33,348
Cyclical Maintenance - Term	28,292	-	17,066
	39,339	32,827	50,414
	39,339	32,827	50,414

15. 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	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	39,682	19,657	26,982
Later than One Year and no Later than Five Years	51,476	25,505	17,391
Future finance charges	(3,820)	-	(1,143)
	87,338	45,162	43,230
	87,338	45,162	43,230
Represented by			
Finance lease liability - Current	37,333	19,657	26,034
Finance lease liability - Term	50,005	25,505	17,196
	87,338	45,162	43,230
	87,338	45,162	43,230

16. Funds held in Trust

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held in Trust on Behalf of Third Parties - Current	18,155	17,361	18,517
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	18,155	17,361	18,517
	18,155	17,361	18,517

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.

17. 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.

2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Block B - ILE & Canopy	207043	(36,917)	-	(13,342)	-	(50,259)
A Block Upgrade 2021	228380	-	241,538	(31,688)	-	209,850
Geothermal Project	221065	18,007	-	(2,675)	-	15,332
Totals		<u>(18,910)</u>	<u>241,538</u>	<u>(47,705)</u>	<u>-</u>	<u>174,923</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	225,182
Funds Due from the Ministry of Education	(50,259)
	<u>174,923</u>

2020	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Block B - ILE & Canopy	207043	(36,917)	-	-	-	(36,917)
Geothermal Project	221065	-	23,000	(4,993)	-	18,007
Totals		<u>(36,917)</u>	<u>23,000</u>	<u>(4,993)</u>	<u>-</u>	<u>(18,910)</u>

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,075	3,130
<i>Leadership Team</i>		
Remuneration	632,091	593,694
Full-time equivalent members	6.00	6.19
Total key management personnel remuneration	635,166	596,824

There are 5 members of the Board excluding the Principal. The Board had held 8 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	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

	2021	2020
Remuneration \$000	FTE Number	FTE Number
100 - 110	1.00	1.00
110 - 120	1.00	-
	2.00	1.00

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

20. Compensation and Other Benefits Upon Leaving

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

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

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

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

\$366,672 contract for the Block B - ILE & Canopy as agent for the Ministry of Education. This project is fully funded by the Ministry and \$255,713 has been received of which \$305,972 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$618,927 contract for the A Block Upgrade 2021 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$241,538 has been received of which \$31,688 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$233,795 contract for the Geothermal Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$23,000 has been received of which \$7,668 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020: Nil)

(b) Operating Commitments

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

(a) operating lease of photocopiers;

	2021 Actual	2020 Actual
	\$	\$
No later than One Year	4,900	4,900
Later than One Year and No Later than Five Years	2,041	6,941
Later than Five Years	-	-
	6,941	11,841

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	695,181	165,191	408,298
Receivables	176,853	139,409	162,492
Investments - Term Deposits	158,317	154,247	156,948
Total Financial assets measured at amortised cost	1,030,351	458,847	727,738

Financial liabilities measured at amortised cost

Payables	163,385	153,468	183,073
Finance Leases	87,338	45,162	43,230
Total Financial Liabilities Measured at Amortised Cost	250,723	198,630	226,303

24. Events After Balance Date

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

25. Comparatives

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

Glenholme School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Kihi Tawhai	Presiding Member	Elected	Sep 2022
Sarah Thompson	Principal		
Marc Brierley	Parent Representative	Elected	Sep 2022
Jenny Packham	Parent Representative	Elected	Sep 2022
Darryn Onekawa	Parent Representative	Elected	Sep 2022
Donna Burns	Staff Representative	Elected	Sep 2022

Glenholme School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$5,095 (excluding GST). The funding was spent on sporting endeavours.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF GLENHOLME SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Glenholme School (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 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 are responsible for the other information. The other information obtained at the date of our report is the Statement of Responsibility, Board of Trustee Listing, Analysis of Variance and Kwisport Report, but does not include the financial statements and or auditor's report thereon.

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

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

Independence

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

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



Stephen Graham
BDO Rotorua Limited
On behalf of the Auditor-General
Rotorua, New Zealand