

# ROKAWA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### School Directory

<b>Ministry Number:</b>	1931
<b>Principal:</b>	Regan Williams
<b>School Address:</b>	6 Rotokawa Road
<b>School Postal Address:</b>	6 Rotokawa Road, RD 4, Rotorua 3074
<b>School Phone:</b>	07 345 6129
<b>School Email:</b>	<a href="mailto:admin@rotokawa.school.nz">admin@rotokawa.school.nz</a>

#### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Duane Partelow	Chair Person	Elected	2022
Regan Williams	Principal ex Officio	Appointed	2022
Paraone Pirika	Iwi Representative	Appointed	2022
Talia Wahapango	Parent Representative	Elected	2022
Alia Branson	Parent Representative	Appointed	2022
Stevie Wall	Parent Representative	Appointed	2022
Christina Robers	Staff Representative	Elected	2022

**Accountant / Service Provider:** Bizwise Accounting & Software Solutions Ltd

# ROKAWA SCHOOL

Annual Report - For the year ended 31 December 2021

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# Rotokawa 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.

Nikki Lynskey  
Full Name of Presiding Member

REGAN WILLIAMS  
Full Name of Principal

[Signature]  
Signature of Presiding Member

[Signature]  
Signature of Principal

9/11/22  
Date:

9/11/22  
Date:

# Rotokawa School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	1,869,307	441,105	1,778,621
Locally Raised Funds	3	187,433	92,848	113,555
Interest Income		368	252	816
		<u>2,057,108</u>	<u>534,205</u>	<u>1,892,992</u>
<b>Expenses</b>				
Locally Raised Funds	3	63,900	7,850	24,740
Learning Resources	4	1,371,735	244,440	1,235,394
Administration	5	252,908	103,064	142,912
Finance		744	1,000	859
Property	6	334,624	136,066	398,487
Depreciation	10	60,044	62,292	58,055
Transport		10,527	4,500	4,240
		<u>2,094,482</u>	<u>559,212</u>	<u>1,864,687</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(37,374)</b>	<b>(25,007)</b>	<b>28,305</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(37,374)</u></b>	<b><u>(25,007)</u></b>	<b><u>28,305</u></b>

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

# Rotokawa School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		704,733	704,734	676,428
Total comprehensive revenue and expense for the year		(37,374)	(25,007)	28,305
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
<b>Equity at 31 December</b>		667,359	679,727	704,733
Retained Earnings		667,359	679,727	704,733
Reserves		-	-	-
<b>Equity at 31 December</b>		667,359	679,727	704,733

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.

# Rotokawa School

## Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	636,339	459,573	455,658
Accounts Receivable	8	98,343	95,853	95,853
GST Receivable		-	1,565	1,565
Prepayments		4,645	2,901	2,900
Inventories	9	5,982	-	-
		<u>745,309</u>	<u>559,892</u>	<u>555,976</u>
<b>Current Liabilities</b>				
GST Payable		48,079	-	-
Accounts Payable	11	113,204	119,795	119,795
Revenue Received in Advance	12	-	50,728	50,728
Provision for Cyclical Maintenance	13	66,481	58,696	46,696
Painting Contract Liability	14	-	6,852	6,852
Finance Lease Liability	15	6,049	6,665	6,665
Funds held for Capital Works Projects	16	289,046	85,749	85,749
		<u>522,859</u>	<u>328,485</u>	<u>316,485</u>
<b>Working Capital Surplus/(Deficit)</b>		222,450	231,407	239,491
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	447,392	460,329	479,936
		<u>447,392</u>	<u>460,329</u>	<u>479,936</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	-	7,785	7,785
Finance Lease Liability	15	2,482	4,226	6,911
		<u>2,482</u>	<u>12,011</u>	<u>14,696</u>
<b>Net Assets</b>		<u>667,360</u>	<u>679,725</u>	<u>704,731</u>
<b>Equity</b>		<u>667,359</u>	<u>679,727</u>	<u>704,733</u>

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

# Rotokawa School

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		610,922	441,105	515,640
Locally Raised Funds		151,933	92,848	69,296
Goods and Services Tax (net)		49,644	-	(3,134)
Payments to Employees		(388,971)	(259,022)	(212,405)
Payments to Suppliers		(406,373)	(224,898)	(283,860)
Interest Paid		(744)	(1,000)	(859)
Interest Received		368	252	816
Net cash from/(to) Operating Activities		16,779	49,285	85,494
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(27,500)	(42,685)	(2,487)
Net cash from/(to) Investing Activities		(27,500)	(42,685)	(2,487)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(5,045)	(2,685)	(5,167)
Painting contract payments		(6,852)	-	
Funds Administered on Behalf of Third Parties		203,299	-	(44,648)
Net cash from/(to) Financing Activities		191,402	(2,685)	(49,815)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>180,681</b>	<b>3,915</b>	<b>33,192</b>
Cash and cash equivalents at the beginning of the year	7	455,658	455,658	422,466
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>636,339</b>	<b>459,573</b>	<b>455,658</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

# Rotokawa School

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Rotokawa 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 13.

###### **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.

###### **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.

For Integrated Groups this note should also include the following:

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.

### **c) 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.

### **d) 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.

### **e) 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.

### **f) 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.

#### **g) 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.

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

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

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

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

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

#### **Finance Leases**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **i) 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.

#### **j) 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.

#### **k) 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

#### **l) Revenue Received in Advance**

Revenue received in advance relates to fees received from 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.

#### **m) 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.

**n) 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.

**o) 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.

**p) Budget Figures**

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

**u) 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	446,449	404,956	380,408
Teachers' Salaries Grants	1,025,495	-	1,028,553
Use of Land and Buildings Grants	208,983	-	252,659
Other MoE Grants	188,380	36,149	117,001
	<u>1,869,307</u>	<u>441,105</u>	<u>1,778,621</u>

The school has opted in to the donations scheme for this year. Total amount received was \$27,300 in 2021 and \$15,228 carried over from 2020.

## 3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	6,184	7,500	11,711
Fees for Extra Curricular Activities	7,435	-	15,319
Trading	17,693	-	2,357
Fundraising & Community Grants	75,326	62,850	36,363
Other Revenue	80,795	22,498	47,805
	<u>187,433</u>	<u>92,848</u>	<u>113,555</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	16,057	-	22,940
Trading	22,464	-	1,669
Fundraising and Community Grant Costs	15,001	-	131
Other Locally Raised Funds Expenditure	10,378	7,850	-
	<u>63,900</u>	<u>7,850</u>	<u>24,740</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>123,533</u>	<u>84,998</u>	<u>88,815</u>

## 4. Learning Resources

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Curricular	34,254	64,042	43,519
Information and Communication Technology	1,904	2,000	1,633
Library Resources	186	1,900	1,621
Employee Benefits - Salaries	1,330,283	168,498	1,185,149
Staff Development	5,108	8,000	3,472
	<u>1,371,735</u>	<u>244,440</u>	<u>1,235,394</u>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	5,416	5,200	8,573
Board Fees	6,425	6,500	6,412
Board Expenses	1,040	3,000	4,600
Communication	507	800	628
Consumables	7,840	6,000	5,810
Legal Fees	-	-	213
Other	177,635	23,140	64,134
Employee Benefits - Salaries	45,037	51,524	36,606
Insurance	2,389	2,900	4,444
Service Providers, Contractors and Consultancy	6,619	4,000	11,492
	252,908	103,064	142,912

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	5,949	4,800	4,190
Consultancy and Contract Services	20,619	26,316	26,322
Cyclical Maintenance Provision	12,000	12,000	7,785
Grounds	6,940	9,450	15,788
Heat, Light and Water	11,757	17,500	15,051
Rates	8,523	9,000	10,182
Repairs and Maintenance	17,715	16,000	18,672
Use of Land and Buildings	208,983	-	252,659
Security	1,218	2,000	2,601
Employee Benefits - Salaries	40,920	39,000	45,237
	334,624	136,066	398,487

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nationwide 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	634,873	459,573	454,943
Cash on Hand	1,466		715
Cash and cash equivalents for Statement of Cash Flows	636,339	459,573	455,658

Of the \$636,339 Cash and Cash Equivalents, \$253,884 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent. If these requirements are not met, the funds will need to be returned.

## 8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	-	12,705
Receivables from the Ministry of Education	23,275	14,596	1,891
Teacher Salaries Grant Receivable	75,068	81,257	81,257
	<u>98,343</u>	<u>95,853</u>	<u>95,853</u>
Receivables from Exchange Transactions	-	-	14,596
Receivables from Non-Exchange Transactions	98,343	95,853	81,257
	<u>98,343</u>	<u>95,853</u>	<u>95,853</u>

## 9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	5,982	-	-
	<u>5,982</u>	<u>-</u>	<u>-</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Building Improvements	342,922	27,500			(23,598)	<b>346,824</b>
Furniture and Equipment	81,240				(17,168)	<b>64,072</b>
Information and Communication Technology	11,825				(3,326)	<b>8,499</b>
Motor Vehicles	22,356				(8,681)	<b>13,675</b>
Textbooks	-				-	-
Leased Assets	13,372				(6,243)	<b>7,129</b>
Library Resources	8,221				(1,028)	<b>7,193</b>
<b>Balance at 31 December 2021</b>	<u>479,936</u>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>(60,044)</u>	<u><b>447,392</b></u>

The net carrying value of equipment held under a finance lease is \$7,129 (2020: \$13,372)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	501,502	(154,678)	<b>346,824</b>	474,002	(131,080)	<b>342,922</b>
Furniture and Equipment	283,740	(219,668)	<b>64,072</b>	283,740	(202,500)	<b>81,240</b>

Information and Communication Technology	113,843	(105,345)	<b>8,498</b>	113,843	(102,018)	<b>11,825</b>
Motor Vehicles	49,404	(35,729)	<b>13,675</b>	49,404	(27,048)	<b>22,356</b>
Textbooks	38,884	(38,884)	-	38,884	(38,884)	-
Leased Assets	33,961	(26,832)	<b>7,129</b>	33,961	(20,589)	<b>13,372</b>
Library Resources	50,107	(42,913)	<b>7,194</b>	50,107	(41,885)	<b>8,221</b>
<b>Balance at 31 December</b>	<b>1,071,441</b>	<b>(624,049)</b>	<b>447,392</b>	<b>1,043,941</b>	<b>(564,004)</b>	<b>479,936</b>

#### 11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	17,552	19,728	19,728
Accruals	4,000	4,000	4,000
Employee Entitlements - Salaries	85,990	90,654	90,654
Employee Entitlements - Leave Accrual	5,662	5,413	5,413
	<u>113,204</u>	<u>119,795</u>	<u>119,795</u>
Payables for Exchange Transactions	113,204	119,795	119,795
	<u>113,204</u>	<u>119,795</u>	<u>119,795</u>

The carrying value of payables approximates their fair value.

#### 12. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	-	15,228	15,228
Other revenue in Advance	-	35,500	35,500
	<u>-</u>	<u>50,728</u>	<u>50,728</u>

#### 13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	54,481	54,481	46,696
Increase/ (decrease) to the Provision During the Year	12,000	12,000	7,785
Provision at the End of the Year	<u>66,481</u>	<u>66,481</u>	<u>54,481</u>
Cyclical Maintenance - Current	66,481	58,696	46,696
Cyclical Maintenance - Term	-	7,785	7,785
	<u>66,481</u>	<u>66,481</u>	<u>54,481</u>



#### 14. Painting Contract Liability

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Due within one year	-	6,852	6,852
	<u>-</u>	<u>6,852</u>	<u>6,852</u>

In 2012 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an six year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The service has been discontinued.

#### 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 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	6,049		6,665
Later than One Year and no Later than Five Years	2,482		6,911
	<u>8,531</u>	<u>-</u>	<u>13,576</u>
<b>Represented by</b>			
Finance lease liability - Current	6,049		6,665
Finance lease liability - Term	2,482		6,911
	<u>8,531</u>	<u>-</u>	<u>13,576</u>

#### 16. Funds Held for Capital Works Projects

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

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Arts & Cultural Centre	<i>in progress</i>	89,633				89,633
Bathroom & Accessibility Modifications	<i>in progress</i>	6,939				6,939
Bore Head	<i>in progress</i>	(4,594)				(4,594)
New Staffroom	<i>in progress</i>	(11,732)				(11,732)
Asbestos Health & Safety Management	<i>in progress</i>	1,875				1,875
Stage 1 Multi Purpose	<i>in progress</i>	8				8
Turf - SIPS	<i>in progress</i>	(5,840)				(5,840)
Thermal Heating	<i>in progress</i>	6,341				6,341
SIPS Landscaping front of School	<i>in progress</i>	3,206				3,206
Stage 2	<i>in progress</i>	(87)	224,439	(20,172)		204,179
LSC Office	<i>in progress</i>	-	1,630	(600)		1,030
School Fence	<i>in progress</i>	-		(2,000)		(2,000)
Totals		<u>85,749</u>	<u>226,069</u>	<u>(22,772)</u>	<u>-</u>	<u>289,046</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	313,212
Funds Due from the Ministry of Education	24,166



	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Arts & Cultural Centre	<i>in progress</i>	89,632	-	-	-	89,633
Bathroom & Accessibility Modifications	<i>in progress</i>	6,938	-	-	-	6,939
Bore Head	<i>in progress</i>	(4,594)	-	-	-	(4,594)
New Staffroom	<i>in progress</i>	(8,618)	-	(3,115)	-	(11,732)
Asbestos Health & Safety Management	<i>in progress</i>	16,605	(6,733)	(7,998)	-	1,875
Stage 1 Multi Purpose	<i>in progress</i>	30,430	118,633	(149,055)	-	8
Turf - SIPS	<i>in progress</i>	-	42,957	(48,797)	-	(5,840)
Carpet - SIPS	<i>in progress</i>	-	16,440	(16,440)	-	-
Thermal Heating	<i>in progress</i>	-	26,231	(19,890)	-	6,341
SIPS Landscaping front of School	<i>in progress</i>	-	7,644	(4,438)	-	3,206
Stage 2	<i>in progress</i>	-	24,297	(24,384)	-	(87)
Staffroom Office	<i>in progress</i>	-	11,956	(11,956)	-	-
<b>Totals</b>		<b>130,393</b>	<b>241,425</b>	<b>(286,073)</b>	<b>-</b>	<b>85,749</b>

## 17. 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.

## 18. 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	6,425	5,608
Full-time equivalent members	0.09	0.16
<i>Leadership Team</i>		
Remuneration	533,133	526,922
Full-time equivalent members	5	5
<b>Total key management personnel remuneration</b>	<b>539,558</b>	<b>532,530</b>

There are 7 members of the Board excluding the Principal. The Board held 12 full meetings of the Board in the year. 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:

	<b>2021 Actual \$000</b>	<b>2020 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

#### Other Employees

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

<b>Remuneration \$000</b>	<b>2021 FTE Number</b>	<b>2020 FTE Number</b>
100 - 110	0.00	1.00
110 - 120	1.00	1.00
	1.00	2.00
	1.00	2.00

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

## 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) \$598,543 for several FYA Projects to be completed in stages, which will be fully funded by the Ministry of Education. \$398,869 has been received from the Ministry of which \$194,682 has been spent for stages 1 and 2 to balance date.

(Capital commitments at 31 December 2020: \$598,543)

## 21. Financial Instruments

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

**2021**                      **2020**



**Financial assets measured at amortised cost**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	636,339	459,573	455,658
Receivables	98,343	95,853	95,853
Total Financial assets measured at amortised cost	<u>734,682</u>	<u>555,426</u>	<u>551,511</u>

**Financial liabilities measured at amortised cost**

Payables	113,204	119,795	119,795
Finance Leases	8,531	10,891	13,577
Painting Contract Liability	-	6,852	6,852
Total Financial Liabilities Measured at Amortised Cost	<u>121,735</u>	<u>137,538</u>	<u>140,224</u>

**22. Events After Balance Date**

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF ROTOKAWA PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDD 31 DECEMBER 2021

The Auditor-General is the auditor of Rotokawa Primary School (the School). The Auditor-General has appointed me, Richard Currie, using the staff and resources of Crowe New Zealand Audit Partnership, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 2 November 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.

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

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## **Responsibilities of the Board for the financial statements**

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2021, 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 payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 18, but does not include the financial statements, and our auditor's report thereon.


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

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

### **Independence**

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

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



Richard Currie  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Hamilton, New Zealand