

LAKE ROTOITI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020



Ministry Number:	3199
Principal:	Mike Allen
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School Postal Address:	St Arnaud Area, Tophouse Road, RD2, Nelson 7072
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Accountant / Service Provider:	Accounting For Schools Limited

LAKE ROTOITI SCHOOL

Annual Report - For the year ended 31 December 2020

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LAKE ROTOITI SCHOOL

Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

Alistair Nicholas

Full Name of Board Chairperson

AN

Signature of Board Chairperson

24/5/21

Date:

Michael Roger Allen

Full Name of Principal

MR Allen

Signature of Principal

24/5/21

Date:

LAKE ROTOITI SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	584,083	518,830	550,043
Locally Raised Funds	3	42,054	35,260	22,286
Interest income		131	500	66
School House		-	-	5,580
		<u>626,268</u>	<u>554,590</u>	<u>577,975</u>
Expenses				
Locally Raised Funds	3	9,199	23,400	19,957
Learning Resources	4	206,544	220,800	231,120
Administration	5	32,643	36,700	34,799
Property	6	173,933	215,059	180,845
Depreciation	7	64,082	6,500	56,632
School Bus		36,132	52,000	38,592
School House		-	-	5,610
		<u>522,533</u>	<u>554,459</u>	<u>567,555</u>
Net Surplus / (Deficit) for the year		103,735	131	10,420
Total Comprehensive Revenue and Expense for the Year		<u><u>103,735</u></u>	<u><u>131</u></u>	<u><u>10,420</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.

LAKE ROTOITI SCHOOL

Statement of Changes in Net Assets/Equity For the year ended 31 December 2020

Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January	711,287	711,287	700,867
Total comprehensive revenue and expense for the year	103,735	131	10,420
Equity at 31 December	815,022	711,418	711,287
Retained Earnings	815,022	711,418	711,287
Equity at 31 December	815,022	711,418	711,287

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.

LAKE ROTOITI SCHOOL
Statement of Financial Position
As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	286,064	204,518	73,847
Accounts Receivable	9	36,001	34,000	37,666
Prepayments		7,148	7,000	6,108
		<u>329,213</u>	<u>245,518</u>	<u>117,621</u>
Current Liabilities				
GST Payable		20,479	18,500	486
Accounts Payable	11	35,815	36,600	30,296
Revenue Received in Advance	12	2,500	2,500	500
Provision for Cyclical Maintenance	13	33,895	30,000	-
Finance Lease Liability - Current Portion	14	2,974	2,500	2,457
Funds held for Capital Works Projects	15	49,121	60,000	-
		<u>144,784</u>	<u>150,100</u>	<u>33,739</u>
Working Capital Surplus/(Deficit)		184,429	95,418	83,882
Non-current Assets				
Property, Plant and Equipment	10	634,502	620,000	662,887
		<u>634,502</u>	<u>620,000</u>	<u>662,887</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	-	-	30,506
Finance Lease Liability	14	3,909	4,000	4,976
		<u>3,909</u>	<u>4,000</u>	<u>35,482</u>
Net Assets		<u>815,022</u>	<u>711,418</u>	<u>711,287</u>
Equity		<u>815,022</u>	<u>711,418</u>	<u>711,287</u>

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

LAKE ROTOITI SCHOOL
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		251,518	199,971	221,067
Locally Raised Funds		68,218	54,926	6,753
Goods and Services Tax (net)		19,993	18,014	(8,253)
Payments to Employees		(52,637)	(36,200)	(58,014)
Payments to Suppliers		(87,881)	(201,488)	(118,364)
Cyclical Maintenance Payments in the year		-	(506)	-
Interest Paid		-	-	(82)
Interest Received		131	500	66
School House Rent Received		-	-	5,580
Net cash from Operating Activities		199,342	35,217	48,753
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(31,072)	36,387	(33,623)
Net cash from Investing Activities		(31,072)	36,387	(33,623)
Cash flows from Financing Activities				
Finance Lease Payments		(5,174)	(933)	(2,058)
Funds Held for Capital Works Projects		49,121	60,000	(22,844)
Net cash from Financing Activities		43,947	59,067	(24,902)
Net increase/(decrease) in cash and cash equivalents		212,217	130,671	(9,772)
Cash and cash equivalents at the beginning of the year	8	73,847	73,847	83,619
Cash and cash equivalents at the end of the year	8	286,064	204,518	73,847

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

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

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.

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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.

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 carryforward 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.

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as revenue in the period the school uses the land and building.

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.

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

k) Property, Plant and Equipment

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

Improvements to buildings owned by the 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

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.

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.

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

n) Employee Entitlements

Short-term employee entitlements

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

o) Revenue Received in Advance

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

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

p) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Proprietor is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Proprietor's responsibilities outside day-to-day maintenance.

q) 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) 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.

s) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

t) 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.

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	109,630	88,251	96,970
Teachers' Salaries Grants	195,579	190,000	199,354
Use of Land and Buildings Grants	129,284	128,859	131,673
Other MoE Grants	39,149	-	13,882
Transport grants	110,441	111,720	107,914
Other Government Grants	-	-	250
	584,083	518,830	550,043

Other MOE Grants total includes additional COVID-19 funding totalling \$18,471 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	4,301	-	1,040
Bequests & Grants	14,000	3,500	-
Activities	8,105	18,200	18,395
Trading	5,178	1,700	1,255
Fundraising	-	-	1,596
Other Revenue	10,470	11,860	-
	42,054	35,260	22,286
Expenses			
Activities	8,634	21,700	18,663
Trading	565	1,700	1,294
	9,199	23,400	19,957
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	32,855	11,860	2,329

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	3,550	4,500	4,519
Information and Communication Technology	1,241	3,000	3,579
Extra-Curricular Activities	382	1,000	-
Library Resources	156	500	34
Employee Benefits - Salaries	195,367	204,200	207,289
Staff Development	5,848	7,600	15,699
	206,544	220,800	231,120

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	4,167	2,500	2,075
Board of Trustees Fees	2,780	4,400	7,787
Board of Trustees Expenses	608	1,500	3,347
Communication	1,151	1,500	1,851
Consumables	1,930	3,950	940
Operating Lease	(2,334)	1,500	1,020
Other	4,938	3,350	3,635
Employee Benefits - Salaries	13,692	12,000	12,498
Insurance	3,181	3,800	1,646
Service Providers, Contractors and Consultancy	2,530	2,200	-
	<u>32,643</u>	<u>36,700</u>	<u>34,799</u>

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	2,971	7,000	902
Consultancy and Contract Services	395	500	-
Cyclical Maintenance Provision	3,389	-	3,980
Grounds	47	3,500	13,157
Heat, Light and Water	8,107	14,700	3,143
Rates	1,516	2,500	1,777
Repairs and Maintenance	10,913	43,000	10,494
Use of Land and Buildings	129,284	128,859	131,673
Employee Benefits - Salaries	17,311	15,000	15,719
	<u>173,933</u>	<u>215,059</u>	<u>180,845</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	15,279	1,500	12,363
Furniture and Equipment	25,154	-	25,564
Information Technology	3,370	1,000	2,132
School Bus	14,877	4,000	11,514
Leased Assets	3,429	-	2,835
Library Resources	1,973	-	2,224
	<u>64,082</u>	<u>6,500</u>	<u>56,632</u>

LAKE ROTOITI SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2020

8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash on Hand	260	250	957
Bank Current Account	164,376	154,268	51,491
Bank Call Account	121,428	50,000	21,399
	286,064	204,518	73,847

Cash and cash equivalents for Cash Flow Statement

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

Of the \$286,064 Cash and Cash Equivalents, \$49,121 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Receivables	13,502	20,000	19,158
Banking Staffing Underuse	7,702	-	6,099
Teacher Salaries Grant Receivable	14,797	14,000	12,409
	36,001	34,000	37,666
Receivables from Exchange Transactions	13,502	20,000	19,158
Receivables from Non-Exchange Transactions	22,499	14,000	18,508
	36,001	34,000	37,666

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings	232,437	8,498	-	-	(15,279)	225,656
Furniture and Equipment	361,207	12,000	-	-	(25,154)	348,054
Information Technology	2,383	10,574	-	-	(3,370)	9,587
Motor Vehicles	55,397	-	-	-	(14,877)	40,520
Leased Assets	5,802	4,624	-	-	(3,429)	6,997
Library Resources	5,661	-	-	-	(1,973)	3,688
Balance at 31 December 2020	662,887	35,696	-	-	(64,082)	634,502

The net carrying value of equipment held under a finance lease is \$6,997 (2019: \$5,802).

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Buildings	458,337	(232,681)	225,656
Furniture and Equipment	512,079	(164,025)	348,054
Information Technology	61,150	(51,563)	9,587
Motor Vehicles	103,840	(63,320)	40,520
Leased Assets	16,681	(9,684)	6,997
Library Resources	49,419	(45,731)	3,688
Balance at 31 December 2020	1,201,506	(567,004)	634,502

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	247,381	-	-	-	(14,945)	232,436
Furniture and Equipment	386,772	33,623	-	-	(28,926)	391,469
Information Technology	4,515	-	-	-	(2,132)	2,383
Motor Vehicles	33,288	-	-	-	(8,152)	25,136
Leased Assets	8,637	-	-	-	(2,835)	5,802
Library Resources	7,885	-	-	-	(2,224)	5,661
Balance at 31 December 2019	688,478	33,623	-	-	(59,214)	662,887

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	449,839	(217,403)	232,436
Furniture and Equipment	500,079	(138,872)	361,207
Information Technology	51,184	(48,801)	2,383
Motor Vehicles	103,840	(48,443)	55,398
Leased Assets	12,057	(6,255)	5,802
Library Resources	49,419	(43,758)	5,661
Balance at 31 December 2019	1,166,418	(503,532)	662,887

LAKE ROTOITI SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2020

11. Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating Creditors	18,094	17,600	16,168
Employee Entitlements - Salaries	14,797	16,000	12,410
Employee Entitlements - Leave Accrual	2,923	3,000	1,719
	<u>35,814</u>	<u>36,600</u>	<u>30,297</u>
Payables for Exchange Transactions	35,814	36,600	30,297
	<u>35,814</u>	<u>36,600</u>	<u>30,297</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Other	2,500	2,500	500
	<u>2,500</u>	<u>2,500</u>	<u>500</u>

13. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	30,506	30,506	35,466
Increase/ (decrease) to the Provision During the Year	3,389	-	3,980
Use of the Provision During the Year	-	(506)	(8,940)
Provision at the End of the Year	<u>33,895</u>	<u>30,000</u>	<u>30,506</u>
Cyclical Maintenance - Current	33,895	30,000	-
Cyclical Maintenance - Term	-	-	30,506
	<u>33,895</u>	<u>30,000</u>	<u>30,506</u>

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

14. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	2,974	2,500	2,457
Later than One Year and no Later than Five Years	3,909	4,000	4,976
	6,883	6,500	7,433

15. 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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Steam Room	<i>in progress</i>	-	20,706	(1,080)	-	19,626
Shed	<i>in progress</i>	-	45,000	(15,505)	-	29,495
Totals		-	65,706	(16,585)	-	49,121

Represented by:

Funds Held on Behalf of the Ministry of Education	49,121
Funds Due from the Ministry of Education	-
	49,121

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Water Supply Upgrade	<i>completed</i>	22,844	(912)	(21,932)	-
Totals		22,844	(912)	(21,932)	-

16. Related Party Transactions

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

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

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

17. Remuneration

Key management personnel compensation

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

	2020	2019
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	2,780	7,787
Full-time equivalent members	0.70	0.80
<i>Leadership Team</i>		
Remuneration	104,870	95,758
Full-time equivalent members	1	1
Total key management personnel remuneration	<u>107,650</u>	<u>103,545</u>
Total full-time equivalent personnel	<u>1.70</u>	<u>1.80</u>

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

Principal

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

	2020	2019
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 -110	90- 100
Benefits and Other Emoluments	3 - 4	0 - 10

No other employee received a total remuneration greater than \$100,000 (2019: \$nil).

18. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

LAKE ROTOITI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

19. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following agreements for capital works:

(a) \$250,000 contract to upgrade the steam room to be completed in 2021, which will be fully funded by the Ministry of Education. \$20,706 has been received of which \$1,080 has been spent on the project to date; and

(b) \$50,000 contract to upgrade the shed to be completed in 2021, which will be fully funded by the Ministry of Education. \$45,000 has been received of which \$15,505 has been spent on the project to date.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into no contracts.

(Operating commitments at 31 December 2019: nil)

20. Managing Capital

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

21. Financial Instruments

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	286,064	204,518	73,847
Receivables	36,001	34,000	37,666
Total Financial assets measured at amortised cost	<u>322,065</u>	<u>238,518</u>	<u>111,513</u>
Financial liabilities measured at amortised cost			
Payables	35,814	36,600	30,297
Finance Leases	6,883	6,500	7,433
Total Financial Liabilities Measured at Amortised Cost	<u>42,697</u>	<u>43,100</u>	<u>37,730</u>

22. Events After Balance Date

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

23. Comparatives

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

LAKE ROTOITI SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Term expires
Alistair Nicholls	Chairperson	Elected	May 2022
Mike Allen	Principal		
Annemarie Bauer	Treasurer	Elected	Resigned September 2020
Megan Jordan	Parent Rep	Elected	May 2022
Paul Dulieu	Property/Parent Rep	Elected	May 2022
Vanessa Clayton	Parent Rep	Elected September 2020	May 2022
Aimee Thomas	Parent Rep	Elected September 2020	May 2022
Lesley McIntosh-Richards	Staff Rep	Elected	Resigned September 2020
Alison Hart	Staff Rep	Elected	May 2022

LAKE ROTOITI SCHOOL

Kiwisport Funding

For the year ended 31 December 2020

Kiwisport is a Government funding initiative to support students participation in organised sport.

In 2020 the School received total Kiwisport funding of \$359 (2019 \$367). The funding was spent on new/replacement sports equipment.

The number of students that participated in organised sport was 26.

Analysis of Variance

2019/20

Strategic Goals 2020

Goal 1:

To consolidate educational pathways for all ākongā, through the provision of personalised learning that supports their learning journey.

Evaluation

Students that require it have had a personalised programme developed through ALiM and ALL. Providers acknowledged that our students received targeted learning through both ALiM and ALL and that progress was, in most cases, accelerated. Data shows that we have a very high level of achievement in core curriculum.

The DMiC maths programme did not allow for personalised learning due to its nature. Staff felt that the programme as delivered did not cater for the particular needs of our students or our school and that the delivery method to staff was patchy. We could not see the connections to our community or the way that the programme could fit into a small multi-level, high decile rural environment. The providers had difficulty demonstrating this to us as well. As a consequence, we withdrew from the PLD.

Goal 2:

To embed the collaborative and respectful relationships with parents, whānau and community groups in order to enhance kura/school life and curriculum provision within our kura/school.

Evaluation

This goal is difficult to quantify.

There was significant support during Covid-19 lockdown with a very good uptake of online learning opportunities.

A greater engagement with community groups has occurred. Students have been involved with DOC, Fish and Game, FENZ, NZ Landcare Trust, Police, Local businesses, Lake Rotoiti Boat Museum, Rainbow skifield and a number of others. Parents have been engaged through our tuakana-teina activities every Friday.

Goal 3:

To embed effective internal evaluation and relationships with parents, whānau and assessment practices, ensuring there is community groups in order to enhance consistent capabilities to sustain valued kura/school life and curriculum provision within outcomes for all ākongā.

Evaluation

This goal is also difficult to quantify.

Internal evaluation systems were reviewed and simplified to allow staff to make a minimum number of required assessments. Regular staff meetings occurred during which students' achievement was formally discussed and moderation exercises undertaken. Discussion was also held regarding further testing to accurately provide next step teaching and learning opportunities.

Assessment practices from previous years were highlighted as showing some anomalies and have been tightened to ensure greater accuracy.

A draft local curriculum was developed and systems established to enable longitudinal reporting to the Board. This requires further development and is the subject of a PLD application for 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF LAKE ROTOITI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Lake Rotoiti School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 24 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the analysis of variance, kiwisport report and the board of trustees listing, but does not include the financial statements, and our auditor's report thereon.

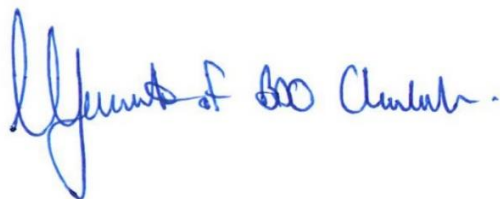
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand