



# ROTOTUNA HIGH SCHOOLS

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

**Ministry Number:** 0708 Rototuna Junior High School  
0615 Rototuna Senior High School

**Principal:** Fraser Hill - Rototuna Junior High School  
Natasha Hemara - Rototuna Senior High School  
Miranda Makin - Rototuna Senior High School

**School Address:** Kimbrae Drive, Rototuna North, Hamilton

**School Postal Address:** PO Box 21 116, Rototuna North Hamilton

**School Phone:** (07) 854 0541

**School Email:** [communication@rhs.school.nz](mailto:communication@rhs.school.nz)

### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Cheryl Christini	Chair	Elected	May-22
Fraser Hill	ex Officio	Principal	N/a
Natasha Hemara	ex Officio (until July 2020)	Principal	N/a
Marinda Makin	ex Officio (from Oct 2020)	Principal	N/a
Megan Campbell	Board Member	Elected	May-22
Nick Ollington	Board Member	Elected	May-22
Anna Smart	Board Member	Elected	May-22
Blair Kiely	Board Member	Elected	May-22
Moshe Malal	Board Member (from Aug 2020)	Co-Opted	Aug-23
Dennis Wai	Board Member (from Aug 2020)	Co-Opted	Aug-23
Rebecca Foster	Staff Rep (until June 2020)	Elected	Resigned
Kim Laurent	Staff Rep (from Sept 2020)	Elected	May-22
Martine Erasmus	Student Rep	Elected	Sep-21

**Accountant / Service Provider:**

Leanne Reynolds - Business Manager

# ROTOTUNA HIGH SCHOOLS

## Annual Report - For the year ended 31 December 2020

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# Rototuna High Schools

## 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.

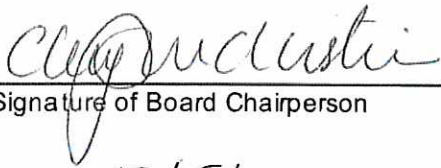
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

CHERYL MARIE CHRISTINI

Full Name of Board Chairperson



Signature of Board Chairperson

17/5/2021

Date:

FRASER I. S. HILL

Full Name of Principal



Signature of Principal

17/5/21

Date:

MIRANDA MAKIN

Full Name of Principal



Signature of Principal

17/05/2021

Date:

# Rototuna High Schools

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	23,538,452	20,907,046	20,672,123
Locally Raised Funds	3	899,486	869,603	919,840
Interest income		30,958	35,000	60,187
International Students	4	39,780	83,000	30,920
		<u>24,508,676</u>	<u>21,894,649</u>	<u>21,683,069</u>
<b>Expenses</b>				
Locally Raised Funds	3	510,419	713,456	764,194
International Students	4	32,433	105,018	5,113
Learning Resources	5	14,158,423	13,681,817	11,938,594
Administration	6	651,236	535,255	608,394
Finance		16,176	15,000	9,815
Property	7	7,638,060	6,939,940	7,871,562
Depreciation	8	850,656	900,000	758,793
		<u>23,857,403</u>	<u>22,890,486</u>	<u>21,956,464</u>
<b>Net Surplus / (Deficit) for the year</b>		651,273	(995,837)	(273,395)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>651,273</u></u>	<u><u>(995,837)</u></u>	<u><u>(273,395)</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.



# Rototuna High Schools

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		5,464,010	5,464,010	5,737,405
Total comprehensive revenue and expense for the year		651,273	(995,838)	(273,395)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		97,500	-	-
<b>Equity at 31 December</b>	23	6,212,783	4,468,172	5,464,010
Retained Earnings		6,212,783	4,468,172	5,464,010
<b>Equity at 31 December</b>		6,212,783	4,468,172	5,464,010

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.



# Rototuna High Schools

## Statement of Financial Position

### As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	9	640,672	19,330	276,063
Accounts Receivable	10	997,049	845,000	813,841
GST Receivable		78,666	50,000	76,863
Prepayments		105,059	120,000	125,239
Investments	11	2,803,428	1,300,000	2,105,142
		<u>4,624,874</u>	<u>2,334,330</u>	<u>3,397,148</u>
<b>Current Liabilities</b>				
GST Payable		-	-	-
Accounts Payable	13	1,409,546	1,060,000	1,005,277
Revenue Received in Advance	14	14,500	-	15,000
Provision for Cyclical Maintenance	15	37,904	6,000	5,295
Finance Lease Liability - Current Portion	16	85,295	76,000	63,560
		<u>1,547,245</u>	<u>1,142,000</u>	<u>1,089,132</u>
<b>Working Capital Surplus/(Deficit)</b>		3,077,629	1,192,330	2,308,016
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	3,306,610	3,540,659	3,305,721
		<u>3,306,610</u>	<u>3,540,659</u>	<u>3,305,721</u>
<b>Non-current Liabilities</b>				
Borrowings		-	-	-
Provision for Cyclical Maintenance	15	79,522	114,817	79,522
Finance Lease Liability	16	91,934	150,000	70,205
		<u>171,456</u>	<u>264,817</u>	<u>149,727</u>
<b>Net Assets</b>		<u>6,212,783</u>	<u>4,468,172</u>	<u>5,464,011</u>
<b>Equity</b>	23	<u>6,212,783</u>	<u>4,468,172</u>	<u>5,464,010</u>

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



# Rototuna High Schools

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	5,070,121	4,055,874	3,244,521
Locally Raised Funds	876,245	956,591	943,165
International Students	39,280	-	45,920
Goods and Services Tax (net)	(1,605)	26,863	5,102
Payments to Employees	(1,992,156)	(1,510,380)	(1,020,372)
Payments to Suppliers	(2,235,156)	(3,578,920)	(2,756,777)
Cyclical Maintenance Payments in the year	(5,391)	-	(5,258)
Interest Paid	(16,174)	(4,200)	(9,815)
Interest Received	38,312	35,000	60,308
Net cash from/(to) Operating Activities	1,773,476	(19,172)	506,796
<b>Cash flows from Investing Activities</b>			
Purchase of Property Plant & Equipment (and Intangibles)	(720,467)	(1,134,938)	(326,865)
Purchase of Investments	(698,286)	805,142	(305,142)
Net cash from/(to) Investing Activities	(1,418,753)	(329,796)	(632,007)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	97,500	-	-
Finance Lease Payments	(87,614)	92,235	(64,030)
Net cash from/(to) Financing Activities	9,886	92,235	(64,030)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>364,609</b>	<b>(256,733)</b>	<b>(189,241)</b>
Cash and cash equivalents at the beginning of the year	9 276,063	276,063	465,304
<b>Cash and cash equivalents at the end of the year</b>	<b>9 640,672</b>	<b>19,330</b>	<b>276,063</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.



**Rototuna High Schools**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**1. Statement of Accounting Policies**

**a) Reporting Entity**

Rototuna High Schools (the School) is governed by one Board of Trustees, being a combined board of Rototuna Junior High School and Rototuna Senior High 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.

**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 15.

**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 12.

**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.





**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

**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) Investments**

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

**j) Property, Plant and Equipment**

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

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

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

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



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**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
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of the Lease
Library resources	12.5% Diminishing value

**k) 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.

**l) 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.

**m) 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.

**n) Revenue Received in Advance**

Revenue received in advance relates to fees received from international 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.

**o) 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**p) 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.

**q) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

**s) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**2. Government Grants**

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	3,753,060	3,892,174	3,023,409
Teachers' Salaries Grants	11,720,613	10,800,000	10,460,187
Use of Land and Buildings Grants	6,747,718	6,000,000	6,967,415
Resource Teachers Learning and Behaviour Grants	11,541	5,000	7,803
Other MoE Grants	1,254,348	158,700	170,287
Other Government Grants	51,172	51,172	43,022
	<u>23,538,452</u>	<u>20,907,046</u>	<u>20,672,123</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$27,300 for the year ended 31 December 2020.

**3. Locally Raised Funds**

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	181,829	152,000	177,823
Activities	503,753	654,103	642,943
Fundraising	2,787	-	5,592
Other Revenue	211,117	63,500	93,482
	<u>899,486</u>	<u>869,603</u>	<u>919,840</u>
<b>Expenses</b>			
Activities	498,331	707,456	755,204
Other Locally Raised Funds Expenditure	12,088	6,000	8,990
	<u>510,419</u>	<u>713,456</u>	<u>764,194</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>389,067</u>	<u>156,147</u>	<u>155,646</u>

**4. International Student Revenue and Expenses**

	2020	2020	2019
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	3	3	2
	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
International Student Fees	39,780	83,000	30,920
<b>Expenses</b>			
Advertising	-	10,000	3,228
Commissions	-	5,700	-
Recruitment	-	10,000	-
International Student Levy	593	2,500	363
Employee Benefit - Salaries	28,294	70,318	-
Other Expenses	3,546	6,500	1,522
	<u>32,433</u>	<u>105,018</u>	<u>5,113</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>7,347</u>	<u>(22,018)</u>	<u>25,807</u>

**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**5. Learning Resources**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	759,093	1,294,975	643,672
Equipment Repairs	8,120	27,450	6,649
Information and Communication Technology	160,955	155,983	159,812
Library Resources	23,998	128,348	53,025
Employee Benefits - Salaries	13,088,934	11,854,561	10,946,084
Staff Development	117,323	220,500	129,352
	<u>14,158,423</u>	<u>13,681,817</u>	<u>11,938,594</u>

**6. Administration**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	10,938	10,620	10,620
Board of Trustees Fees	4,085	5,665	3,570
Board of Trustees Expenses	27,073	16,300	25,470
Communication	23,214	20,120	17,588
Consumables	52,058	22,000	50,126
Operating Lease	11,587	-	47,642
Legal Fees	-	1,000	-
Other	42,187	47,100	37,028
Employee Benefits - Salaries	450,793	385,500	391,967
Insurance	24,155	22,000	19,178
Service Providers, Contractors and Consultancy	5,146	4,950	5,205
	<u>651,236</u>	<u>535,255</u>	<u>608,394</u>

**7. Property**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	50,969	86,500	56,917
Consultancy and Contract Services	292,359	289,990	325,110
Cyclical Maintenance Provision	38,000	30,000	30,000
Grounds	38,718	55,000	41,857
Heat, Light and Water	185,375	212,000	191,301
Rates	22,785	26,000	22,548
Repairs and Maintenance	67,693	55,000	68,181
Use of Land and Buildings	6,747,718	6,000,000	6,967,415
Security	26,399	28,000	24,994
Employee Benefits - Salaries	168,044	157,450	143,239
	<u>7,638,060</u>	<u>6,939,940</u>	<u>7,871,562</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**8. Depreciation**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Buildings - School	22,262	20,000	11,373
Building Improvements - Crown	-	-	-
Furniture and Equipment	361,467	410,000	336,513
Information and Communication Technology	317,369	323,000	304,354
Motor Vehicles	12,979	17,000	8,639
Textbooks	-	-	-
Leased Assets	106,975	100,000	71,334
Library Resources	29,604	30,000	26,580
	<u>850,656</u>	<u>900,000</u>	<u>758,793</u>

**9. Cash and Cash Equivalents**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash on Hand	195	100	195
Bank Current Account	640,477	19,230	275,868
Cash and cash equivalents for Statement of Cash Flows	<u>640,672</u>	<u>19,330</u>	<u>276,063</u>

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

Of the \$640,672 Cash and Cash Equivalents, \$0 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.

**10. Accounts Receivable**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	31,277	10,000	8,034
Interest Receivable	3,600	5,000	10,954
Teacher Salaries Grant Receivable	962,172	830,000	794,853
	<u>997,049</u>	<u>845,000</u>	<u>813,841</u>
Receivables from Exchange Transactions	34,877	15,000	18,988
Receivables from Non-Exchange Transactions	962,172	830,000	794,853
	<u>997,049</u>	<u>845,000</u>	<u>813,841</u>

**11. Investments**

The School's investment activities are classified as follows:

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	2,803,428	1,300,000	2,105,142
Total Investments	<u>2,803,428</u>	<u>1,300,000</u>	<u>2,105,142</u>



Rototuna High Schools  
Notes to the Financial Statements (Cont'd)  
For the year ended 31 December 2020

**12. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Land	-	-	-	-	-	-
Buildings	514,230	259,541	-	-	(22,262)	751,509
Furniture and Equipment	1,836,327	259,710	-	-	(361,467)	1,734,570
Information and Communication						
Technology	579,882	95,328	-	-	(317,369)	357,841
Motor Vehicles	74,867	86,785	-	-	(12,979)	148,673
Textbooks	-	-	-	-	-	-
Leased Assets	148,074	131,080	-	-	(106,975)	172,179
Library Resources	152,340	22,049	(2,947)	-	(29,604)	141,838
<b>Balance at 31 December 2020</b>	<b>3,305,720</b>	<b>854,493</b>	<b>(2,947)</b>	<b>-</b>	<b>(850,656)</b>	<b>3,306,610</b>

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of ICT and equipment held under a finance lease is \$172,179 (2019: \$148,074)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Land	-	-	-
Buildings	792,430	(40,921)	751,509
Furniture and Equipment	3,143,519	(1,408,949)	1,734,570
Information and Communication Technology	1,638,176	(1,280,335)	357,841
Motor Vehicles	173,179	(24,506)	148,673
Textbooks	-	-	-
Leased Assets	514,812	(342,633)	172,179
Library Resources	245,443	(103,605)	141,838
<b>Balance at 31 December 2020</b>	<b>6,507,559</b>	<b>(3,200,949)</b>	<b>3,306,610</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	440,359	85,244	-	-	(11,373)	514,230
Building Improvements	-	-	-	-	-	-
Furniture and Equipment	2,024,432	148,408	-	-	(336,513)	1,836,327
Information and Communication						
Technology	789,348	94,888	-	-	(304,354)	579,882
Motor Vehicles	83,506	-	-	-	(8,639)	74,867
Textbooks	-	-	-	-	-	-
Leased Assets	150,365	69,043	-	-	(71,334)	148,074
Library Resources	148,843	36,421	(6,344)	-	(26,580)	152,340
<b>Balance at 31 December 2019</b>	<b>3,636,853</b>	<b>434,004</b>	<b>(6,344)</b>	<b>-</b>	<b>(758,793)</b>	<b>3,305,720</b>

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of ICT and equipment held under a finance lease is \$148,074 (2018: \$150,365)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	-	-	-
Buildings	532,889	(18,659)	514,230
Building Improvements	-	-	-
Furniture and Equipment	2,883,808	(1,047,482)	1,836,327
Information and Communication Technology	1,542,848	(962,966)	579,882
Motor Vehicles	86,394	(11,527)	74,867
Textbooks	-	-	-
Leased Assets	383,732	(235,658)	148,074
Library Resources	226,342	(74,001)	152,341
<b>Balance at 31 December 2019</b>	<b>5,656,013</b>	<b>(2,350,293)</b>	<b>3,305,720</b>



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**13. Accounts Payable**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	233,469	100,000	79,610
Accruals	125,740	70,000	66,148
Capital Accruals for PPE items	-	30,000	31,751
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	1,013,697	830,000	798,231
Employee Entitlements - Leave Accrual	36,640	30,000	29,537
	<u>1,409,546</u>	<u>1,060,000</u>	<u>1,005,277</u>

Payables for Exchange Transactions	1,409,546	1,060,000	1,005,277
	<u>1,409,546</u>	<u>1,060,000</u>	<u>1,005,277</u>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	14,500	-	15,000
	<u>14,500</u>	<u>-</u>	<u>15,000</u>

**15. Provision for Cyclical Maintenance**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	84,817	84,817	60,075
Increase/ (decrease) to the Provision During the Year	38,000	30,000	30,000
Use of the Provision During the Year	(5,391)	-	(5,258)
Provision at the End of the Year	<u>117,426</u>	<u>114,817</u>	<u>84,817</u>
Cyclical Maintenance - Current	37,904	6,000	5,295
Cyclical Maintenance - Term	79,522	114,817	79,522
	<u>117,426</u>	<u>120,817</u>	<u>84,817</u>

**16. 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	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	95,574	76,000	71,933
Later than One Year and no Later than Five Years	101,084	150,000	76,626
Later than Five Years	-	-	-
	<u>196,658</u>	<u>226,000</u>	<u>148,559</u>

**17. 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:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Fire Door Project	<i>completed</i>	-	107,634	(108,093)	(459)	-
Totals		<u>-</u>	<u>107,634</u>	<u>(108,093)</u>	<u>(459)</u>	<u>-</u>





**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**18. Related Party Transactions**

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

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

The Chairperson and one other member of the Board of Trustees for Rototuna High Schools are also on the Board of Trustees of the Rototuna Indoor Recreation Centre Trust. The Recreation Centre was opened for operation in July 2017. Transactions incurred during the year were as follows:

Operating and Maintenance Contribution \$80,000, (2019: \$80,000)

**19. Remuneration**

*Key management personnel compensation*

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,085	3,570
Full-time equivalent members	0.17	0.14
<i>Leadership Team</i>		
Remuneration	1,288,635	1,094,451
Full-time equivalent members	10	9
Total key management personnel remuneration	1,292,720	1,098,021
Total full-time equivalent personnel	10.17	9.14

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 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
<i>Rototuna Junior High School</i>		
Salary and Other Payments	190-200	170-180
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-
<i>Rototuna Senior High School - Principal #1</i>		
Salary and Other Payments	100-110	150-160
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-
<i>Rototuna Senior High School - Principal #2</i>		
Salary and Other Payments	50-60	-
Benefits and Other Emoluments	0-10	-
Termination Benefits	-	-

*Other Employees*

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-109	9.00	7.00
110-120	2.00	-
120-130	5.00	-
130-140	1.00	-
	17.00	7.00

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



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**20. Compensation and Other Benefits Upon Leaving**

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

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

**21. 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.

**22. Commitments**

**(a) Capital Commitments**

Capital Commitments as at 31 December 2020: \$0 (2019: \$227,538)

**(b) Operating Commitments**

As at 31 December 2020 the Board has entered into the following contracts:

**(i) Rototuna Indoor Recreation Centre Trust (the Trust)**

The Board has entered into an agreement with the Trust for the funding contribution and operating of Rototuna Indoor Recreation Centre. Through this agreement the Board has committed to the following:

- (i) Annual operating contribution (2021 to be determined once budgets set): 2020 \$59,200;
- (ii) Annual contribution of \$20,800 for routine maintenance

**(ii) operating lease of photocopiers;**

	2020 Actual \$	2019 Actual \$
No later than One Year	-	3,957
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	3,957



**Rototuna High Schools**  
**Notes to the Financial Statements (Cont'd)**  
**For the year ended 31 December 2020**

**23. 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.

**24. Financial Instruments**

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

**Financial assets measured at amortised cost**

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	640,672	19,330	276,063
Receivables	997,049	845,000	813,841
Investments - Term Deposits	2,803,428	1,300,000	2,105,142
<b>Total Financial assets measured at amortised cost</b>	<b>4,441,149</b>	<b>2,164,330</b>	<b>3,195,046</b>

**Financial liabilities measured at amortised cost**

Payables	1,409,546	1,060,000	1,005,277
Finance Leases	177,229	226,000	133,765
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>1,586,775</b>	<b>1,286,000</b>	<b>1,139,042</b>

**25. 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 ROTOTUNA HIGH SCHOOLS'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Rototuna High Schools (the School). The Auditor-General has appointed me, Bernard Lamusse, using the staff and resources of PKF Hamilton Audit Ltd, 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 3 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.

Our audit was completed on 17 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 of Trustees 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 information included on pages 19 to 62, but does not include the financial statements, and our auditor's report thereon.

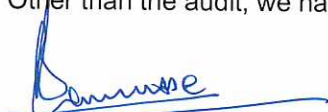
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Bernard Lamusse  
Director  
PKF Hamilton Audit Ltd  
On behalf of the Auditor-General  
Hamilton, New Zealand