

# ROTORUA SPECIALIST SCHOOL - TE KURA PUKENGA O ROTORUA

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

**School Directory**

**Ministry Number:** 1772

**Principal:** Sherylle Collins

**School Address:** 36 Kea Street, Selwyn Heights

**School Postal Address:** 36 Kea Street, Selwyn Heights, Rotorua, 3015

**School Phone:** 07 347 6717

**School Email:** jenny@rss.ac.nz

**Accountant / Service Provider:**

**Education**  *Services.*  
*Dedicated to your school*

# ROTORUA SPECIALIST SCHOOL - TE KURA PUKENGA O ROTORUA

Annual Report - For the year ended 31 December 2021

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# Rotorua Specialist School - Te Kura Pukenga o Rotorua

## Statement of Responsibility

For the year ended 31 December 2021

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

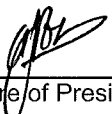
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

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

Anthony James Pope  
Full Name of Presiding Member

Sherie Ann Collins  
Full Name of Principal

  
Signature of Presiding Member

S.A. Collins  
Signature of Principal

30/05/22  
Date:

27.05.22  
Date:

**Rotorua Specialist School - Te Kura Pukenga o Rotorua**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	4,727,322	3,780,397	4,296,089
Locally Raised Funds	3	42,650	51,000	45,087
Interest Income		10,831	10,000	14,805
Gain on Sale of Property, Plant and Equipment		2,609	-	3,478
		<u>4,783,412</u>	<u>3,841,397</u>	<u>4,359,459</u>
<b>Expenses</b>				
Locally Raised Funds	3	23,724	40,500	15,316
Learning Resources	4	3,801,273	3,320,575	3,486,088
Administration	5	281,076	199,470	248,410
Finance		1,203	1,500	1,471
Property	6	204,039	217,137	205,575
Depreciation	10	124,998	102,776	113,508
		<u>4,436,313</u>	<u>3,881,958</u>	<u>4,070,368</u>
<b>Net Surplus / (Deficit) for the year</b>		347,099	(40,561)	289,091
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>347,099</u>	<u>(40,561)</u>	<u>289,091</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.

**Rotorua Specialist School - Te Kura Pukenga o Rotorua**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2021

	2021	2021	2020
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Equity at 1 January</b>	1,488,052	1,114,132	1,190,430
Total comprehensive revenue and expense for the year	347,099	(40,561)	289,091
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	8,531
<b>Equity at 31 December</b>	1,835,151	1,073,571	1,488,052
Retained Earnings	1,835,151	1,073,571	1,488,052
<b>Equity at 31 December</b>	1,835,151	1,073,571	1,488,052

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.

**Rotorua Specialist School - Te Kura Pukenga o Rotorua**  
**Statement of Financial Position**  
As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	532,739	86,952	431,375
Accounts Receivable	8	314,559	222,801	253,402
GST Receivable		36,951	11,957	1,911
Prepayments		3,647	1,724	3,677
Investments	9	509,296	-	503,432
		<u>1,397,192</u>	<u>323,434</u>	<u>1,193,797</u>
<b>Current Liabilities</b>				
Accounts Payable	11	199,766	155,786	200,879
Provision for Cyclical Maintenance	12	3,866	-	19,432
Finance Lease Liability	13	13,233	9,545	8,606
Funds held for Capital Works Projects	14	21,566	-	115,628
		<u>238,431</u>	<u>165,331</u>	<u>344,545</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,158,761</b>	<b>158,103</b>	<b>849,252</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	707,396	928,887	646,304
		<u>707,396</u>	<u>928,887</u>	<u>646,304</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	-	3,867	3,436
Finance Lease Liability	13	31,006	9,552	4,068
		<u>31,006</u>	<u>13,419</u>	<u>7,504</u>
<b>Net Assets</b>		<u><u>1,835,151</u></u>	<u><u>1,073,571</u></u>	<u><u>1,488,052</u></u>
<b>Equity</b>		<u><u>1,835,151</u></u>	<u><u>1,073,571</u></u>	<u><u>1,488,052</u></u>

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

## Rotorua Specialist School - Te Kura Pukenga o Rotorua

### Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		2,348,971	1,910,024	2,188,073
Locally Raised Funds		42,650	30,000	45,087
Goods and Services Tax (net)		(35,040)	-	10,046
Payments to Employees		(97,520)	(113,050)	(93,055)
Payments to Suppliers		(1,914,491)	(1,394,037)	(1,752,007)
Interest Paid		(1,203)	(1,500)	(1,471)
Interest Received		10,979	10,000	14,657
Net cash from/(to) Operating Activities		354,346	441,437	411,330
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		2,609	-	3,478
Purchase of Property Plant & Equipment (and Intangibles)		(148,167)	(297,800)	(51,600)
Purchase of Investments		(5,864)	-	(12,478)
Net cash from/(to) Investing Activities		(151,422)	(297,800)	(60,600)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	8,531
Finance Lease Payments		(5,798)	(10,150)	(5,188)
Funds Administered on Behalf of Third Parties		(95,762)	-	123,837
Net cash from/(to) Financing Activities		(101,560)	(10,150)	127,180
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>101,364</b>	<b>133,487</b>	<b>477,910</b>
Cash and cash equivalents at the beginning of the year	7	431,375	(46,535)	(46,535)
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>532,739</b>	<b>86,952</b>	<b>431,375</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.

# Rotorua Specialist School - Te Kura Pukenga o Rotorua

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Rotorua Specialist School - Te Kura Pukenga o Rotorua (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

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

###### *Basis of Preparation*

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

###### *Financial Reporting Standards Applied*

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

###### *PBE Accounting Standards Reduced Disclosure Regime*

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

###### *Critical Accounting Estimates And Assumptions*

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

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

###### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 12.



*Useful lives of property, plant and equipment*

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

**Critical Judgements in applying accounting policies**

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

*Classification of leases*

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

*Recognition of grants*

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

**c) Revenue Recognition**

**Government Grants**

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

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

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

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

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

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Operating Lease Payments**

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

**e) Finance Lease Payments**

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

**f) Cash and Cash Equivalents**

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

**g) Accounts Receivable**

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

**h) Inventories**

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

**i) Investments**

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

**j) Property, Plant and Equipment**

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

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

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

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

**Finance Leases**

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

**Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	5 years
Motor Vehicles	5 years
Library Resources	12.5% DV
Leased assets held under a Finance Lease	Term of Lease

#### **k) Intangible Assets**

##### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

#### **l) Impairment of property, plant, and equipment and intangible assets**

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

##### *Non cash generating assets*

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

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

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

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

#### **m) Accounts Payable**

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

#### **n) Employee Entitlements**

##### *Short-term employee entitlements*

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

##### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

#### **o) Revenue Received in Advance**

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

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

**p) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expenses.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**q) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Comprehensive Revenue and Expenses. The School holds sufficient funds to enable the funds to be used for their intended purpose.

**r) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

**s) Financial Instruments**

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

**t) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**v) Budget Figures**

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

**w) Services received in-kind**

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

## 2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	711,133	439,716	692,882
Teachers' Salaries Grants	2,244,759	1,757,325	1,961,285
Use of Land and Buildings Grants	81,091	113,048	113,041
Other MoE Grants	1,690,339	1,470,308	1,528,881
	<u>4,727,322</u>	<u>3,780,397</u>	<u>4,296,089</u>

The school has opted in to the donations scheme for this year. Total amount received was \$13,500.

## 3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>			
Fees for Extra Curricular Activities	-	21,000	392
Fundraising & Community Grants	42,650	30,000	44,695
	<u>42,650</u>	<u>51,000</u>	<u>45,087</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	23,424	40,500	15,316
Fundraising & Community Grant Costs	300	-	-
	<u>23,724</u>	<u>40,500</u>	<u>15,316</u>
<i>Surplus for the year Locally raised funds</i>	<u>18,926</u>	<u>10,500</u>	<u>29,771</u>

## 4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	250,105	346,250	276,159
Employee Benefits - Salaries	3,538,586	2,954,325	3,202,022
Staff Development	12,582	19,000	7,907
Ors	-	1,000	-
	<u>3,801,273</u>	<u>3,320,575</u>	<u>3,486,088</u>

## 5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,784	4,300	4,164
Board Fees	4,660	6,000	5,200
Board Expenses	4,779	9,370	4,342
Communication	5,944	8,700	6,920
Consumables	8,959	8,450	8,937
Other	128,267	128,600	120,912
Employee Benefits - Salaries	15,498	16,050	9,838
Insurance	11,058	8,500	9,083
Service Providers, Contractors and Consultancy	8,415	9,500	8,030
Healthy School Lunch Programme	88,712	-	70,984
	281,076	199,470	248,410

## 6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	21,161	23,000	19,355
Cyclical Maintenance Provision	9,780	2,589	2,588
Grounds	5,696	3,500	1,385
Heat, Light and Water	7,492	7,400	7,021
Rates	1,528	1,800	1,804
Repairs and Maintenance	20,901	16,300	14,383
Use of Land and Buildings	81,091	113,048	113,041
Security	5,474	2,000	1,876
Employee Benefits - Salaries	31,431	47,000	37,627
Consultancy And Contract Services	19,485	500	6,495
	204,039	217,137	205,575

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	30,876	86,952	431,375
Short-term Bank Deposits	501,863	-	-
Cash and cash equivalents for Statement of Cash Flows	532,739	86,952	431,375

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

Of the \$532,739 Cash and Cash Equivalents \$50,985 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

### 8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	29,456	23,250
Receivables from the Ministry of Education	26,540	-	32,465
Banking Staffing Underuse	122,300	64,743	37,510
Interest Receivable	-	-	148
Teacher Salaries Grant Receivable	165,719	128,602	160,029
	<u>314,559</u>	<u>222,801</u>	<u>253,402</u>
Receivables from Exchange Transactions	26,540	29,456	55,863
Receivables from Non-Exchange Transactions	288,019	193,345	197,539
	<u>314,559</u>	<u>222,801</u>	<u>253,402</u>

### 9. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	509,296	-	503,432
Total Investments	<u>509,296</u>	<u>-</u>	<u>503,432</u>

### 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Building Improvements	353,723	-	-	-	(17,390)	336,333
Furniture and Equipment	64,832	36,381	-	-	(14,191)	87,022
Information and Communication Technolog	135,235	29,313	-	-	(47,910)	116,638
Motor Vehicles	81,729	78,000	-	-	(34,652)	125,077
Leased Assets	10,785	42,396	-	-	(10,855)	42,326
<b>Balance at 31 December 2021</b>	<u>646,304</u>	<u>186,090</u>	<u>-</u>	<u>-</u>	<u>(124,998)</u>	<u>707,396</u>

The net carrying value of equipment held under a finance lease is \$42,326 (2020: \$10,785)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	526,297	(189,964)	336,333	526,297	(172,574)	353,723
Furniture and Equipment	291,649	(204,627)	87,022	255,268	(190,436)	64,832
Information and Communication Technolog	329,679	(213,041)	116,638	300,366	(165,131)	135,235
Motor Vehicles	278,107	(153,030)	125,077	228,793	(147,064)	81,729
Leased Assets	77,406	(35,080)	42,326	35,010	(24,225)	10,785
Library Resources	750	(750)	-	750	(750)	-
<b>Balance at 31 December</b>	<u>1,503,888</u>	<u>(796,492)</u>	<u>707,396</u>	<u>1,346,484</u>	<u>(700,180)</u>	<u>646,304</u>

### 11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	17,557	14,143	25,535
Accruals	7,198	7,960	6,184
Employee Entitlements - Salaries	165,719	128,602	160,029
Employee Entitlements - Leave Accrual	9,292	5,081	9,131
	199,766	155,786	200,879
Payables for Exchange Transactions	199,766	155,786	200,879
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	199,766	155,786	200,879

The carrying value of payables approximates their fair value.

### 12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	22,868	1,278	20,280
Increase to the Provision During the Year	2,589	2,589	2,589
Adjustment to the Provision	7,191	-	(1)
Use of the Provision During the Year	(28,782)	-	-
Provision at the End of the Year	3,866	3,867	22,868
Cyclical Maintenance - Current	3,866	-	19,432
Cyclical Maintenance - Term	-	3,867	3,436
	3,866	3,867	22,868

### 13. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	14,061	9,545	9,350
Later than One Year and no Later than Five Years	31,451	9,552	4,282
Future finance charges	(1,273)	-	(958)
	44,239	19,097	12,674
<b>Represented by</b>			
Finance lease liability - Current	13,233	9,545	8,606
Finance lease liability - Term	31,006	9,552	4,068
	44,239	19,097	12,674



#### 14. Funds Held (Owed) for Capital Works Projects

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

2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Block B Roof & Block F Gutter Replacemen	210165	1,279	-	(1,279)	-	-
Door Widening & Kitchen Replacement	210165	110,465	-	(89,061)	-	21,404
Room 1 Works	212839	1,570	-	(1,570)	-	-
Emergency Sewerage Works	233637	(1,511)	-	1,511	-	-
Block E Roof Safety Works	218131	(9,084)	-	(663)	-	(9,747)
New Classroom Base School	216803	24,080	48,500	(59,172)	-	13,408
Office Ext & Toilet Works	221062	(11,171)	145,967	(118,623)	-	16,173
Block E - Earthquake Strengthening		-	-	(13,569)	-	(13,569)
LSC Works		-	-	(4,674)	-	(4,674)
SIP: C: Replace kitchen in room 4	228655	-	-	(1,429)	-	(1,429)
<b>Totals</b>		<b>115,628</b>	<b>194,467</b>	<b>(288,529)</b>	<b>-</b>	<b>21,566</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education

50,985

Funds Due from the Ministry of Education

(29,419)

21,566

2020	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Block B Roof & Block F Gutter Replacemen	210165	1,279	-	-	-	1,279
Door Widening & Kitchen Replacement	210165	(7,043)	120,929	(3,421)	-	110,465
Room 1 Works	212839	1,758	-	(188)	-	1,570
Emergency Sewerage Works	233637	(1,511)	-	-	-	(1,511)
Block E Roof Safety Works	218131	(992)	-	(8,092)	-	(9,084)
New Classroom Base School	216803	-	50,000	(25,920)	-	24,080
Office Ext & Toilet Works	221062	-	-	(11,171)	-	(11,171)
<b>Totals</b>		<b>(6,509)</b>	<b>170,929</b>	<b>(48,792)</b>	<b>-</b>	<b>115,628</b>

#### 15. 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.

## 16. Remuneration

### Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,660	5,200
<i>Leadership Team</i>		
Remuneration	480,800	456,878
Full-time equivalent members	4.00	4.00
<b>Total key management personnel remuneration</b>	<b>485,460</b>	<b>462,078</b>

There are 2 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (0 members) that met 7 and 0 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	150 - 160
Benefits and Other Emoluments	-	0 - 5
Termination Benefits	-	-

### Other Employees

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

	2021	2020
Remuneration \$000	FTE Number	FTE Number
100 - 110	3.00	2.00
	3.00	2.00

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

## 17. Compensation and Other Benefits Upon Leaving

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

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

## 18. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 19. Commitments

### (a) Capital Commitments

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

\$136,365 contract for the Door Widening & Kitchen Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$128,993 has been received of which \$107,589 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$9,747 contract for the Block E Roof Safety Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$9,747 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$100,000 contract for the New Classroom Base School as agent for the Ministry of Education. This project is fully funded by the Ministry and \$98,500 has been received of which \$85,092 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$164,376 contract for the Office Ext & Toilet Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$145,967 has been received of which \$129,794 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$9,747 contract for the Block E - Earthquake Strengthening as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$13,569 has been spent on the project to balance date. This project has been approved by the Ministry; and

(Capital commitments as at 31 December 2020:

\$27,393 contract for the Block B Roof & Block F Gutter Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$24,300 has been received of which \$23,021 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$134,365 contract for the Door Widening & Kitchen Replacement as agent for the Ministry of Education. This project is fully funded by the Ministry and \$128,993 has been received of which \$18,528 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$9,747 contract for the Block E Roof Safety Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$9,084 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$100,000 contract for the New Classroom Base School as agent for the Ministry of Education. This project is fully funded by the Ministry and \$50,000 has been received of which \$25,920 has been spent on the project to balance date. This project has been approved by the Ministry.)

**(b) Operating Commitments**

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

**20. Financial Instruments**

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

**Financial assets measured at amortised cost**

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	532,739	86,952	431,375
Receivables	314,559	222,801	253,402
Investments - Term Deposits	509,296	-	503,432
Total Financial assets measured at amortised cost	1,356,594	309,753	1,188,209

**Financial liabilities measured at amortised cost**

Payables	199,766	155,786	200,879
Finance Leases	44,239	19,097	12,674
Total Financial Liabilities Measured at Amortised Cost	244,005	174,883	213,553

**21. Events After Balance Date**

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

**22. Comparatives**

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

## Rotorua Specialist School - Te Kura Pukenga o Rotorua

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Tony Pope	Presiding Member	Elected	May 2022
Tere Lawson	Parent Representative	Elected	Mar 2021
Steven Hughes	Parent Representative	Elected	May 2022
Matt Dawson	Parent Representative	Elected	May 2022
Ashley Stubbing	Staff Representative	Elected	May 2022

## **Rotorua Specialist School - Te Kura Pukenga o Rotorua**

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$1,658 (excluding GST). The funding was spent on sporting endeavours.