

ROTORUA LAKES HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



'Mauria te pono - Keep steadfastly to the truth'

ROTORUA LAKES HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

School Directory

Ministry Number: 154

Principal: Jon Ward

School Address: Porikapa Road, Rotorua

School Postal Address: P O Box 7002, Te Ngae, Rotorua 3042

School Phone: 07 345 6124

School Email: office@rotorualakes.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Bill Lawson	Chair Person	Elected	Jun-22
Jon Ward	Principal	ex Officio	
Kirsty Mitchell	Parent Rep	Re-elected	Jun-22
Todd Cheesman	Parent Rep	Elected	Jun-22
Henry Weston	Parent Rep	Elected	Jun-22
Megan Wheeler	Parent Rep	Elected	Jun-22
Berkie Kapa	Parent Rep	Co-opted	Jun-22
Joanne Chemis	Staff Rep	Re-elected	Jun-22
Isidora Gonzalez-Diaz	Student Rep	Elected	Sep-20
Bruce Walker	Principal	ex Officio	Jul-19
Wynel Raureti-George	Chair Person	Re-Elected	Jun-19
Angela Cuff	Parent Rep	Elected	Jun-19
Tony Scott	Parent Rep	Elected	Jun-19
Moana Hingston	Parent Rep	Elected	Jun-19
Reggae Hepi-Ritete	Student Rep	Elected	Sep-19

Accountant / Service Provider:



Auditor:

Crowe New Zealand Audit Partnership

ROTORUA LAKES HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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Rotorua Lakes High School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Bill Lawsen

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

26 May 2020

Date:

Jon WARD

Full Name of Principal

[Signature]

Signature of Principal

26/5/20

Date:

Rotorua Lakes High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	7,732,471	7,643,180	7,287,376
Locally Raised Funds	3	448,243	448,907	773,791
Interest income		35,817	30,000	37,292
Gain on Sale of Property, Plant and Equipment		-	-	1,090
International Students	4	88,348	73,500	71,826
		<u>8,304,879</u>	<u>8,195,587</u>	<u>8,171,375</u>
Expenses				
Locally Raised Funds	3	172,169	203,907	458,650
International Students	4	13,492	15,250	13,135
Learning Resources	5	5,562,657	5,596,219	5,294,081
Administration	6	315,559	346,742	233,617
Finance		18,959	-	13,830
Property	7	1,897,500	1,833,469	1,670,467
Depreciation	8	240,641	200,000	215,096
Loss on Disposal of Property, Plant and Equipment		9	-	-
		<u>8,220,986</u>	<u>8,195,587</u>	<u>7,898,876</u>
Net Surplus / (Deficit) for the year		83,893	-	272,499
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>83,893</u></u>	<u><u>-</u></u>	<u><u>272,499</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.



Rotorua Lakes High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>2,039,328</u>	<u>1,614,240</u>	<u>1,766,829</u>
Total comprehensive revenue and expense for the year		83,893	-	272,499
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		19,119	-	-
Prior Period Adjustment	32	43,035		
Equity at 31 December	27	<u>2,185,375</u>	<u>1,614,240</u>	<u>2,039,328</u>
Retained Earnings		2,185,375	1,614,240	2,039,328
Reserves		-	-	-
Equity at 31 December		<u>2,185,375</u>	<u>1,614,240</u>	<u>2,039,328</u>

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 Lakes High School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	900,539	236,716	515,319
Accounts Receivable	10	537,218	481,424	481,424
GST Receivable		-	51,162	51,162
Prepayments		5,517	28,212	28,212
Inventories	11	7,084	8,372	8,372
Investments	12	850,000	850,000	850,000
		<u>2,300,358</u>	<u>1,655,886</u>	<u>1,934,489</u>
Current Liabilities				
GST Payable		23,865	-	-
Accounts Payable	14	596,538	530,139	530,139
Revenue Received in Advance	15	182,187	176,440	176,440
Provision for Cyclical Maintenance	16	13,000	-	-
Finance Lease Liability - Current Portion	17	101,275	75,319	75,319
Funds held in Trust	18	6,457	2,430	2,430
Funds held for Capital Works Projects	19	225,597	-	69,662
Funds for RTLB services	20	76,260	(6,052)	(6,052)
Funds held on behalf of Alternative Education Rotorua Consortium	21	-	-	-
		<u>1,225,179</u>	<u>778,276</u>	<u>847,938</u>
Working Capital Surplus/(Deficit)		1,075,179	877,610	1,086,551
Non-current Assets				
Property, Plant and Equipment	13	1,317,843	927,619	1,143,766
		<u>1,317,843</u>	<u>927,619</u>	<u>1,143,766</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	95,622	87,325	87,325
Finance Lease Liability	17	112,025	103,664	103,664
		<u>207,647</u>	<u>190,989</u>	<u>190,989</u>
Net Assets		<u>2,185,375</u>	<u>1,614,240</u>	<u>2,039,328</u>
Equity	27	<u>2,185,375</u>	<u>1,614,240</u>	<u>2,039,328</u>

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



Rotorua Lakes High School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		2,021,098	1,895,985	1,914,539
Locally Raised Funds		445,255	450,319	775,203
International Students		93,077	131,936	130,262
Goods and Services Tax (net)		75,027	(32,908)	(32,908)
Payments to Employees		(1,081,693)	(990,993)	(1,045,193)
Payments to Suppliers		(1,170,537)	(1,266,468)	(1,236,608)
Cyclical Maintenance Payments in the year		-	(22,759)	(47,140)
Interest Paid		(18,959)	-	(13,830)
Interest Received		36,225	28,900	36,192
Net cash from Operating Activities		<u>399,493</u>	<u>194,012</u>	<u>480,517</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		37,796	-	1,090
Purchase of PPE (and Intangibles)		(239,383)	-	(126,811)
Purchase of Investments		-	(100,000)	(100,000)
Net cash from Investing Activities		<u>(201,587)</u>	<u>(100,000)</u>	<u>(225,721)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		19,119	-	
Finance Lease Payments		(135,788)	(21,721)	(101,335)
Funds Administered on Behalf of Third Parties		148,048	(223,992)	(223,992)
Funds Held for Capital Works Projects		155,935	25,883	43,779
Net cash from Financing Activities		<u>187,314</u>	<u>(219,830)</u>	<u>(281,548)</u>
Net increase/(decrease) in cash and cash equivalents		<u><u>385,220</u></u>	<u><u>(125,818)</u></u>	<u><u>(26,752)</u></u>
Cash and cash equivalents at the beginning of the year	9	515,319	362,534	542,071
Cash and cash equivalents at the end of the year	9	<u><u>900,539</u></u>	<u><u>236,716</u></u>	<u><u>515,319</u></u>

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

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



Rotorua Lakes High School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Rotorua Lakes High School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 31.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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



Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

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. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been Schooled based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for collectability) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Investments

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Consolidated Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the School may incur on sale or other disposal.



k) 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.

Property, plant and equipment acquired with individual values under \$2000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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 - Crown Owned Assets	30 years
Classroom Furniture	15 years
Information and communication technology	4 years
Motor vehicles	5 years
Textbooks	4 years
Musical Instruments	5 years
Other Equipment	5 years
Office Furniture	15 years
Office Equipment	5 years
Science Equipment	4 - 5 years
Sports Equipment	2 - 10 years
Covered in Area	30 years
Leased assets held under a Finance Lease	3 - 5 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

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 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, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff 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 international 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 international 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 Revenue and Expense. 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 school control. These amounts are not recorded in the Statement of Revenue and Expense. 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

s) Financial Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

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 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 at the start of the year.

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,504,277	1,504,200	1,445,125
Teachers' Salaries Grants	4,258,042	4,292,412	4,083,069
Use of Land and Buildings Grants	1,451,969	1,451,969	1,286,954
Resource Teachers Learning and Behaviour Grants	12,163	15,000	15,450
Other MoE Grants	295,482	214,266	265,141
Other Government Grants	210,538	165,333	191,637
	7,732,471	7,643,180	7,287,376

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	55,253	56,000	45,157
Activities	192,291	221,907	495,540
Trading	24,185	26,000	18,150
Fundraising	58,941	-	80,415
Other Revenue	117,573	145,000	134,529
	448,243	448,907	773,791
Expenses			
Activities	153,378	179,907	443,832
Trading	18,791	24,000	14,818
	172,169	203,907	458,650
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	276,074	245,000	315,141

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	5	6	6
Revenue			
International Student Fees	88,348	73,500	71,826
Expenses			
Commissions	10,709	11,500	7,823
International Student Levy	1,970	2,750	2,401
Other Expenses	813	1,000	2,911
	13,492	15,250	13,135
<i>Surplus/ (Deficit) for the year International Students'</i>	74,856	58,250	58,691

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	505,900	582,290	413,641
Information and Communication Technology	48,106	50,000	40,517
Library Resources	1,483	2,000	1,253
Employee Benefits - Salaries	4,998,374	4,949,929	4,832,401
Staff Development	8,794	12,000	6,269
	<u>5,562,657</u>	<u>5,596,219</u>	<u>5,294,081</u>

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	8,592	8,342	8,342
Board of Trustees Fees	4,225	4,500	3,554
Board of Trustees Expenses	27,102	24,000	5,476
Communication	20,814	22,000	21,767
Consumables	3,547	3,000	2,937
Operating Lease	(4,680)	15,000	(1,649)
Other	2,065	23,400	(30,127)
Employee Benefits - Salaries	239,483	232,000	209,051
Insurance	14,411	14,500	14,266
	<u>315,559</u>	<u>346,742</u>	<u>233,617</u>

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	107,718	103,000	103,503
Cyclical Maintenance Provision	21,297	-	24,381
Grounds	18,295	17,500	18,118
Heat, Light and Water	76,669	72,500	75,629
Rates	12,480	13,500	13,405
Repairs and Maintenance	80,607	54,500	66,943
Use of Land and Buildings	1,451,969	1,451,969	1,286,954
Security	13,679	5,000	3,459
Employee Benefits - Salaries	114,786	115,500	78,075
	<u>1,897,500</u>	<u>1,833,469</u>	<u>1,670,467</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.



8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	17,250	17,000	17,250
Classroom Furniture	10,214	10,000	10,166
Covered Outdoor Area	18,621	17,000	17,184
Information and Communication Technology	44,556	40,000	42,316
Leased Assets	86,817	70,000	77,420
Library Resources	1,912	2,000	2,181
Motor Vehicles	21,712	15,000	15,152
Office furniture	971	1,000	1,163
Other equipment	35,151	25,000	29,081
Sports equipment	1,072	-	-
Textbooks	2,365	3,000	3,183
	<u>240,641</u>	<u>200,000</u>	<u>215,096</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	150	-	150
Bank Current Account	583,126	222,039	288,049
Bank Call Account	239,844	-	212,443
Bank Call Account - RTLB	77,419	14,677	14,677
Cash and cash equivalents for Cash Flow Statement	<u>900,539</u>	<u>236,716</u>	<u>515,319</u>

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

Of the \$900,539 Cash and Cash Equivalents, \$246,097 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$900,539 Cash and Cash Equivalents, \$76,260 is held by the School on behalf of the RTLB cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	11,646	6,278	6,278
Interest Receivable	1,823	2,231	2,231
Teacher Salaries Grant Receivable	523,749	472,915	472,915
	<u>537,218</u>	<u>481,424</u>	<u>481,424</u>
Receivables from Exchange Transactions	13,469	8,509	8,509
Receivables from Non-Exchange Transactions	523,749	472,915	472,915
	<u>537,218</u>	<u>481,424</u>	<u>481,424</u>



11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
School Uniforms	7,084	8,372	8,372
	<u>7,084</u>	<u>8,372</u>	<u>8,372</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	850,000	850,000	850,000
Total Investments	<u>850,000</u>	<u>850,000</u>	<u>850,000</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings - School	199,570	-	-	-	(17,250)	182,320
Classroom Furniture	68,092	14,406	-	-	(10,214)	72,284
Covered Outdoor Area	468,471	103,446	-	-	(18,621)	553,296
Information and Communication Technology	87,854	58,519	-	-	(44,556)	101,817
Leased Assets	177,140	151,242	(37,796)	-	(86,817)	203,769
Library Resources	15,270	30	(8)	-	(1,912)	13,380
Motor Vehicles	57,334	16,518	-	-	(21,712)	52,140
Office furniture	2,772	3,186	-	-	(971)	4,987
Other equipment	64,572	90,000	-	-	(35,151)	119,421
Science equipment	-	-	-	-	-	-
Sports equipment	-	11,693	-	-	(1,072)	10,621
Textbooks	2,691	3,482	-	-	(2,365)	3,808
Balance at 31 December 2019	<u>1,143,766</u>	<u>452,522</u>	<u>(37,804)</u>	<u>-</u>	<u>(240,641)</u>	<u>1,317,843</u>

The net carrying value of equipment held under a finance lease is \$203,769 (2018: \$177,140)

The net carrying value of motor vehicles held under a finance lease is \$38,884 (2018: \$55,548)

The total finance leased assets \$203,769 (2018: \$177,140) includes RTLB related lease assets of \$60,629 (2018: \$80,962) being leased motor vehicles and teacher laptops leased through the Ministry's TELA scheme. Also refer note 20.



	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings - School	518,018	(335,698)	182,320
Classroom Furniture	237,621	(165,337)	72,284
Covered Outdoor Area	620,607	(67,311)	553,296
Information and Communication Technology	350,247	(248,430)	101,817
Leased Assets	348,521	(144,752)	203,769
Library Resources	30,420	(17,040)	13,380
Motor Vehicles	173,523	(121,383)	52,140
Office furniture	76,049	(71,062)	4,987
Other equipment	441,871	(322,450)	119,421
Science equipment	2,024	(2,024)	-
Sports equipment	118,115	(107,494)	10,621
Textbooks	37,186	(33,378)	3,808
Balance at 31 December 2019	2,954,202	(1,636,359)	1,317,843

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings - School	216,820	-	-	-	(17,250)	199,570
Classroom Furniture	70,039	8,219	-	-	(10,166)	68,092
Covered Outdoor Area	485,655	-	-	-	(17,184)	468,471
Information and Communication Technology	63,988	66,182	-	-	(42,316)	87,854
Leased Assets	174,945	79,615	-	-	(77,420)	177,140
Library Resources	17,556	110	(215)	-	(2,181)	15,270
Motor Vehicles	47,105	25,381	-	-	(15,152)	57,334
Office furniture	3,935	-	-	-	(1,163)	2,772
Other equipment	66,520	27,133	-	-	(29,081)	64,572
Textbooks	5,874	-	-	-	(3,183)	2,691
Balance at 31 December 2018	1,152,437	206,640	(215)	-	(215,096)	1,143,766

The net carrying value of equipment held under a finance lease is \$177,140 (2017: \$174,945)

The net carrying value of motor vehicles held under a finance lease is \$55,548 (2017: \$72,212)

The total finance leased assets \$177,140 (2017: \$174,945) includes RTLB related lease assets of \$80,962 (2017: \$77,274) being leased motor vehicles and teacher laptops leased through the Ministry's TELA scheme. Also refer note 20.



2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings - School	518,018	(318,448)	199,570
Classroom Furniture	223,215	(155,123)	68,092
Covered Outdoor Area	517,161	(48,690)	468,471
Information and Communication Technology	291,727	(203,873)	87,854
Leased Assets	329,658	(152,518)	177,140
Library Resources	30,408	(15,138)	15,270
Motor Vehicles	157,005	(99,671)	57,334
Office furniture	72,863	(70,091)	2,772
Other equipment	351,871	(287,299)	64,572
Science equipment	2,024	(2,024)	-
Sports equipment	106,422	(106,422)	-
Textbooks	33,704	(31,013)	2,691
Balance at 31 December 2018	2,634,076	(1,490,310)	1,143,766

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	18,705	16,048	16,048
Employee Entitlements - Salaries	564,279	501,671	501,671
Employee Entitlements - Leave Accrual	13,554	12,420	12,420
	596,538	530,139	530,139
Payables for Exchange Transactions	596,538	530,139	530,139
	596,538	530,139	530,139

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	-	1,362	1,362
International Student Fees	160,571	155,842	155,842
Other	21,616	19,236	19,236
	182,187	176,440	176,440

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	87,325	87,325	110,084
Increase/ (decrease) to the Provision During the Year	21,297	-	24,381
Use of the Provision During the Year	-	-	(47,140)
Provision at the End of the Year	<u>108,622</u>	<u>87,325</u>	<u>87,325</u>
Cyclical Maintenance - Current	13,000	-	-
Cyclical Maintenance - Term	95,622	87,325	87,325
	<u>108,622</u>	<u>87,325</u>	<u>87,325</u>

17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	101,275	75,319	75,319
No Later than One Year - Interest	15,051	4,000	13,481
Later than One Year and no Later than Five Years	112,025	103,664	103,664
Later than One Year and no Later than Five Years - Interest	15,079	1,200	10,405
	<u>243,430</u>	<u>184,183</u>	<u>202,869</u>

18. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	6,457	2,430	2,430
	<u>6,457</u>	<u>2,430</u>	<u>2,430</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.



19. 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Special Needs Handrails	<i>in progress</i>	1,985	-	-	-	1,985
A Block Electrical	<i>in progress</i>	(8,550)	83,058	(3,145)	-	71,363
Bus Shelter	<i>in progress</i>	(22,396)	104,199	(77,142)	-	4,661
S Block Classrooms	<i>in progress</i>	108,482	119,104	(248,086)	-	(20,500)
Admin Doors and Alarms	<i>completed</i>	(9,859)	7,410	-	2,449	-
C Block Classrooms	<i>in progress</i>	-	192,699	(24,611)	-	168,088
Totals		69,662	506,470	(352,984)	2,449	225,597

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

246,097
(20,500)

225,597

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Boiler	<i>completed</i>	(14,790)	14,790	-	-	-
Drainage Tree Felling	<i>completed</i>	(1,090)	1,090	-	-	-
Drinking Fountains	<i>completed</i>	1,114	-	(1,114)	-	-
Special Needs Handrails	<i>in progress</i>	7,365	-	(5,380)	-	1,985
Canteen	<i>completed</i>	5,935	-	(5,935)	-	-
C Block Extractor	<i>completed</i>	28,557	-	(28,557)	-	-
A Block Lighting	<i>completed</i>	(1,208)	1,968	(760)	-	-
A & D Block Heatpumps	<i>completed</i>	-	14,116	(14,116)	-	-
A Block Electrical	<i>in progress</i>	-	-	(8,500)	-	(8,550)
Bus Shelter	<i>in progress</i>	-	-	(22,396)	-	(22,396)
S Block Classrooms	<i>in progress</i>	-	250,000	(141,518)	-	108,482
Admin Doors and Alarms	<i>in progress</i>	-	297	(10,155)	-	(9,859)
Totals		25,883	282,261	(238,431)	-	69,662



20. Funds for RTLB Services

Rotorua Lakes High School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	(6,052)	(6,052)	141,461
<i>Revenue</i>			
Teachers' Salary Grant	2,636,724	2,641,481	2,641,481
ACC/Sick Leave Funding	93,958	-	-
Administration Grant	103,070	102,507	102,507
Learning Support Funding	199,707	187,708	187,708
Year 11-13 Funding	-	6,750	6,750
Travel Grant	161,080	158,653	158,653
Other Revenue	11,651	11,390	11,390
	<hr/> 3,206,190	<hr/> 3,108,489	<hr/> 3,108,489
Total funds available	<hr/> 3,200,138	<hr/> 3,102,437	<hr/> 3,249,950
<i>Expenses</i>			
Employee Benefit - Salaries	2,636,724	2,641,481	2,641,481
Administration	172,272	140,073	140,073
Learning Support	186,093	215,989	274,422
Year 11-13	-	-	-
Travel	112,271	110,946	110,946
Other Expenses	-	-	-
	<hr/> 3,107,360	<hr/> 3,108,489	<hr/> 3,166,922
Purchase of Assets	16,517	-	89,080
Funds Held at Year End	<hr/> <hr/> 76,260	<hr/> <hr/> (6,052)	<hr/> <hr/> (6,052)
Current Assets			
Cash at bank	76,260	(6,052)	(6,052)
Equity	<hr/> <hr/> 76,260	<hr/> <hr/> (6,052)	<hr/> <hr/> (6,052)



The Ministry of Education provides funds to Rotorua Lakes High School to provide Resource Teachers of Learning and Behaviour (RTL) services to the following schools in its cluster:

Aorangi School	Ngakuru School	Te Kura O Hirangi
Broadlands School	Ngongotaha School	Te Kura O Te Whakarewarewa
Galatea School	Otonga School	Te Kura O Waitahanui
Glenholme School	Owhata School	Te Kura Toitu O Te Whaiti-nui-a-Toi
Hilltop School	Rangitaiki School	Test School
Horohoro School	Reporoa College	Tirohanga School
John Paul Collge	Reporoa School	TKK Motuhake O Tawhiuau
Kaharoa School	Rotokawa School	TKKM O Huiarau
Kaingaroa Forest school	Rotorua Boys' High School	TKKM O Hurungaterangi
Kaitao Intermediate	Rotorua Girl's High School	TKKM O Rotoiti
Kawaha Point school	Rotorua Intermediate	TKKM O Raumata
Kuratau School	Rotorua Lakes High School	TKKM O Te Koutu
Lake Rerewhakaiatu School	Rotorua S D A School	TKKM O Whakarewai I Te Reo Ki Tuwharetoa
Lake Rotoma School	Rotorua School	Tongariro School
Lake Taupo Christian School	Selwyn School	Upper Atiamuri School
Lynmore Primary School	St Mary's Catholic School (Rotorua)	Waikite Valley School
Malfroy School	St. Michael's Catholic School (Rotorua)	Waipahihi School
Mamaku School	St. Patrick's Catholic School (Taupo)	Wairakei School
Mangakino Area School	Sunset Primary School	Westbrook School
Marotiri School	Tauhara College	Western Heights High School
Mihi School	Tauhara School	Western Heights Primary School (Rotorua)
Mokoia Intermediate	Taupo Intermediate	Whakamaru School
Mountview School	Taupo Primary	Whangamarino School
Multiple Schools	Taupo-nui-a-Tia College	
Murupara Area School	Te Kura Maori - a - Rohe O Waiohau	

It provides this service by employing fully registered specialist teacher who have the training and skills to provide RTL services. Rotorua lakes high school ensures learning and Behaviour (RTL) are sufficiently funded to work together with teachers and schools to support the achievement of students in Years 1-10 with learning and/or behaviour difficulties.

Rotorua Lakes High school ensure that the RTL has sufficient access to resources including logistics, teaching materials and professional developments.

This note sets out the income and expenditure of the RTL cluster for the year as above. In addition, as at the 31 December 2019 the RTL cluster had the following assets and liabilities:

Assets

\$60,629 (2018; \$80,962) of leased assets, being leased motor vehicles, copier and teacher laptops leased through the Ministry's TELA scheme.

Liabilities

\$62,582 (2018:\$57,471) of finance lease payments due for the vehicles and teacher laptops.

These assets and liabilities have been included in the School's fixed assets and finance lease liabilities as the School maintains overall responsibility under the finance lease agreements. The RTL administration expenditure, as shown above, includes \$37,539 (2018: \$34,792) relating to lease payments paid to the school for the use of the leased assets.



21. Funds Held on Behalf of Alternative Education Rotorua Consortium

Rotorua Lakes High School is the lead school and holds funds on behalf of the Alternative Education Rotorua Consortium, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from MoE	456,250	462,845	462,845
Funds Spent on Behalf of the Cluster	(410,625)	(422,071)	(422,071)
Distribution of Funds			
Rotorua Boys High School	(10,000)	(10,000)	(10,000)
Western Heights High School	(10,000)	(10,000)	(10,000)
Rotorua Girls High School	(10,000)	(10,000)	(10,000)
Rotorua Lakes High School	(15,625)	(10,774)	(10,774)
Funds Held at Year End	-	-	-

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets

Cash at bank	-	-	-
Equity	-	-	-

22. 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.



23. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,226	3,554
Full-time equivalent members	0.10	0.11
<i>Leadership Team</i>		
Remuneration	1,508,764	1,389,829
Full-time equivalent members	15.00	14.64
Total key management personnel remuneration	<u>1,512,990</u>	<u>1,393,383</u>
Total full-time equivalent personnel	<u>15.10</u>	<u>14.75</u>

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

Principal 1

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	160 - 170
Benefits and Other Emoluments	2 - 3	4 - 5
Termination Benefits	-	-

Principal 2

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	80 - 90	0
Benefits and Other Emoluments	2 - 3	0
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	3.00	3.00
110 - 120	1.00	1.00
	<u>4.00</u>	<u>4.00</u>

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



24. 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:

	2019	2018
	Actual	Actual
Total	\$0	\$0
Number of People	nil	nil

25. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

26. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) Contracts for MOE Capital projects as outlined in Note 19, which will be fully funded by the Ministry of Education. \$756,767 has been received of which \$540,933 has been spent on the project to date; and

(Capital commitments at 31 December 2018: \$223,984 for Music Suite Canopy, Art Room Data Upgrade and Canteen Canopy)

(b) Operating Commitments

As at 31 December 2019 the Board has no operating commitments.

27. 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.



28. 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 (2018: Loans and receivables)

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	900,539	236,716	515,319
Receivables	537,218	481,424	481,424
Investments - Term Deposits	850,000	850,000	850,000
Total Financial assets measured at amortised cost	<u>2,287,757</u>	<u>1,568,140</u>	<u>1,846,743</u>

Financial liabilities measured at amortised cost

Payables	596,538	530,139	530,139
Finance Leases	213,300	178,983	178,983
Total Financial Liabilities Measured at Amortised Cost	<u>809,838</u>	<u>709,122</u>	<u>709,122</u>

29. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

30. Comparatives

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

31. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 12 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

32. Adjustment for prior year error in current year equity account

During 2019 it was noted that some assets purchased in 2017 (Current NBV \$43,035), had been incorrectly expensed rather than capitalised as fixed assets. An adjustment to the equity account has therefore been recorded in the 2019 financial year to reflect the correction of this error.



Rotorua Lakes High School

Kiwisport Statement

As at 31 December 2019

Kiwi sport Kiwi sport is a government funding initiative to support students' participation in organised sport. In 2019, the school received a total Kiwi sport funding of \$ 16,312 (2018 \$15,418) (excluding GST). The funding was put towards the Sports Co-ordinator salary.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF ROTORUA LAKES HIGH SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Opinion

We have audited the financial statements of the School on pages 2 to 25, that comprise the statement of financial position as at 31 December 2019, 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 2019; 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 27 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion we draw attention to the disclosures in note 29 on page 25 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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.

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

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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 of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from 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 of Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 26, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



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

2019 Analysis of Variance

Review against 2019 Goals

STRATEGIC GOAL 1: We will provide learning opportunities that meet the varied needs of our students. These will focus on achievement and excellence, and enable us to meet the target of 85% of all of our students achieving NCEA Level 2.

Each Strategic Goal was subdivided into four annual goals. This has provided twelve goals with multiple sub-focus areas. The number of relevant targets and goals will become more focussed in 2020 and streamlined to ensure clear direction for the school.

Annual Goals to meet Strategic Goal:

1.1 We will promote the highest standards of achievement, through programmes that enable all students to realize their full potential, and enable us to meet the national target of 85% of all students achieving NCEA Level 2

Academic Results 2019 (Source: NZQA Data)

Level 1

Merit: 34.5%
Excellence: 16%

Overall Pass Rate: 75.3%

Level 2

Merit: 29.2%
Excellence: 6.6%

Overall Pass Rate: 87.6%

Level 3

Merit: 25.0%
Excellence: 11.8%

Overall Pass Rate: 76%

Commentary and actions arising:

- 1 In the 2019 Charter there were many facets enumerated within this goal section numbering from 1.11 to 1.38
 - In Broad brush terms most of the facets have been addressed but there is little evidence that specific outcomes have been met as no direct performance indicators were identified in the original goals. In 2020 goals will include specific measurable outcomes that can be measured to ensure completion.
 - Some goals, such as 1.22 “We shall review the junior curriculum over 2019” show little evidence of being implemented, with no clear indication as to whose this responsibility was. Moving forwards, all actions will have responsibilities attached for monitoring purposes.

- The key indicators identified are all admirable in their aims but when staff were asked how these had been implemented and developed there was a general lack of knowledge of what the contents of the Strategic Goals were. There was little evidence that the Charter was referred to as a guiding document throughout 2019. Approaches in 2020 will ensure that staff regularly interact with the contents and aims of the Charter.
- 2 NCEA Results show a positive continuation of Level 2 results (87.6%), although there has been a significant decline in Excellence endorsements. Level 1 results show a declining trend that fits the National pattern. This pass rate of 75.3% needs to be a focus in 2020 with development of Pathways and courses that meet the needs of our students. Whilst Level 3 results continued to be acceptable at 76.0% and 11% higher than National Averages, there is an opportunity to deliver stronger outcomes, especially in the area of University Entrance. While this figure is slightly lower than both the national average (46.8%) and the Decile band average (44.2%) at 43.0%, tracking of student pathways shows that those students who were aiming for UE achieved this outcome. Care over course composition choices at the start of 2020, to ensure students have three subject areas which offer 14 credits, will be monitored.

1.2 We will increase the retention rate of students through innovative policies, programmes and pathways in order that 85% of students achieve NCEA Level 2

Commentary and actions arising:

1. Again there were numerous sub-goals attached to this area (2.1-2.8) many of which seemed to have been carried over from 2018 as the year had not changed in the text.
2. The target to effectively implement the digital curriculum is well on its way although it has only been implemented with pockets of staff rather than being a whole school focus. This implementation will continue in 2020.
3. Although the other sub-goals are all admirable aims, there is little evidence that the school has implemented targeted actions to achieve these outcomes.

1.3 We will increase the number of students leaving school with the relevant qualifications, and meet the Ministry target of 85% of all our students achieving NCEA Level 2

Commentary and actions arising:

1. There has been focus during 2019 on Gateway support but specific outcomes have not been monitored effectively to be able to accurately comment on whether the interventions have been effective.
2. Most of the sub-goals appear to be statements of ‘business as usual’ for an educational establishment e.g. ***“1.33 All curriculum areas will review and develop their programmes to enable all senior students to achieve NCEA success at the appropriate year level.”*** Discerning specific interventions as a result of these sub-goals is not possible as no specific actions have been tracked.

STRATEGIC GOAL 2: We will take an active role in ascertaining and meeting the educational aspirations of the school community

I could look at each area of this strategic goal but I feel a single statement will suffice.

In July, to a large extent the school had significantly withdrawn from community interaction, with no dealings with our Kahui Ako and a negative perspective of other schools in our area. The second part of the year was spent re-establishing connections that will drive community support in the future. Functional partnerships with other educational organisations such as Toi Ohomai were maintained throughout the year. There was little evidence of community consultation being evident. This is a key focus for 2020.

STRATEGIC GOAL 3: We will endeavour to resource the school to provide excellent education to every student

It is unclear what this goal actually means as this is the function of any educational establishment. This is not a goal but an expectation.

2019 ANNUAL TARGETS

As well as subdividing the strategic goals into multiple sub-goals, 3 annual targets were set.

Annual Target 1: 85% of Year 11 students will achieve NCEA Level 1 (on Enrolment Based data). Baseline 2018: 77.3%

This was not achieved – Level 1 pass rate 75.3%

Annual Target 2: – To increase the percentage of Yr 9 & 10 students who respond “I feel safe at school” in the NZCER. “Me & My School” survey (to be completed Term 4 2019). baseline data November 2018 survey. Yr 9: 19% disagree and 6% strongly disagree. Yr 10: 20 % disagree and 7 % strongly disagree

No follow up testing was organised in 2019 so the outcome of this goal cannot be determined. We will organise an NZCER survey in Term 2 2020 to give further information.

Annual Target 3: - Attendance will be 88% or more at each year level. Baseline attendance data from 2018: 84.6% attendance for the year.

Based on Assay 3 data, which downloads directly from the KAMAR student management system, the attendance figures for 2019 were:

- 80% of students attended over 85% of the time
- 13% of students attended between 75% and 85% of the time
- 8% of students attended less than 75% of the time

These figures demonstrate that whilst a focus, the interventions put in place had little impact on the overall attendance figures.

Moving Forwards

The Charter in 2020 and associated goals and targets will be regularly reviewed by all staff and connected in a more transparent process to the school's daily operations.

The Key Drivers of Student Achievement, Community Engagement and Developing suitable Pathways remain the focus as we move forwards. Tracking will be developed in all areas to monitor progress during the year, and not simply at year end.