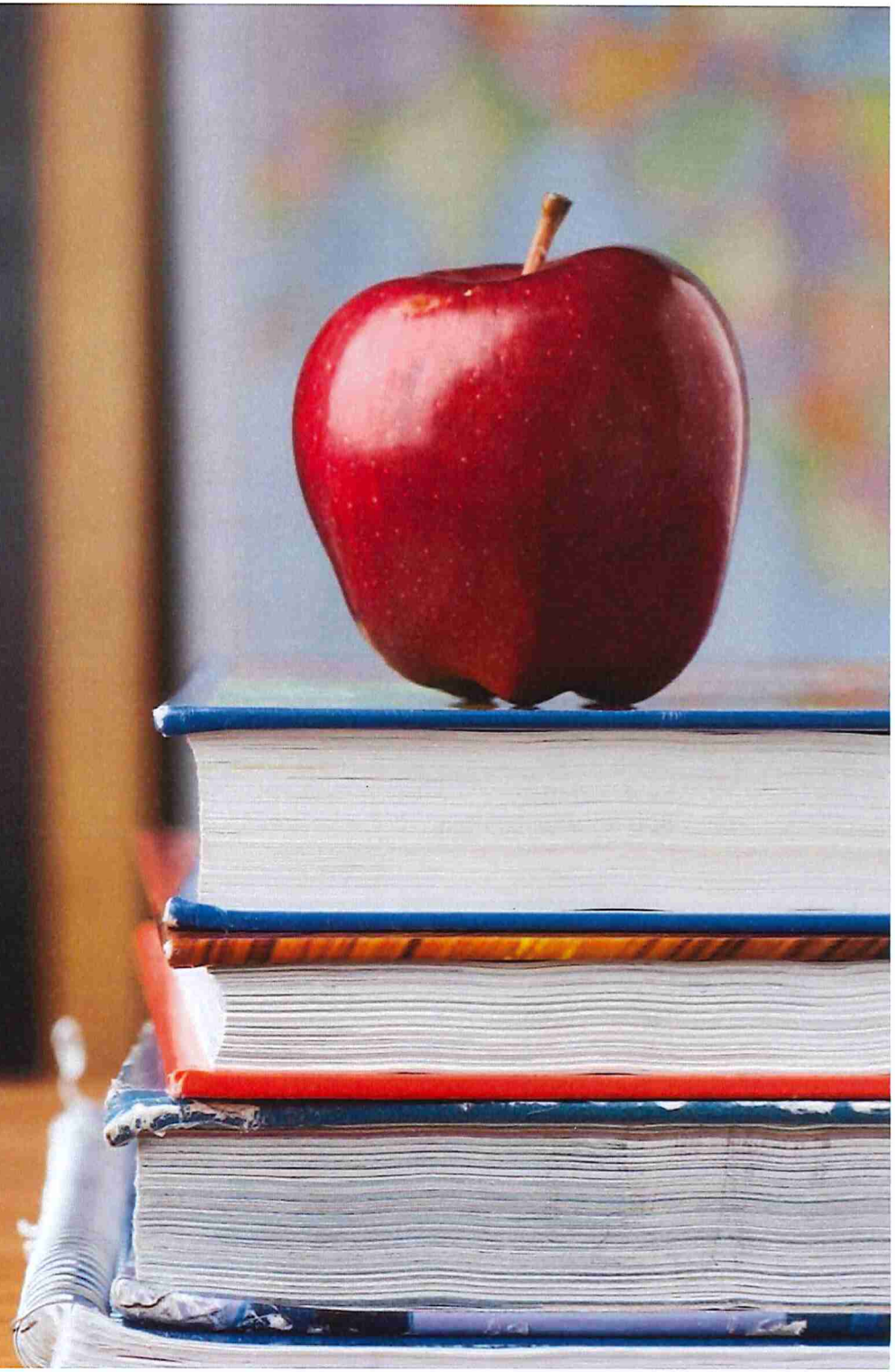
BDO

Reporoa School

AUDIT COMPLETION REPORT

FOR THE YEAR ENDED

31 December 2020



17 June 2021

Kate Bowron
Chairperson
34 Massey Road
Reporoa, 6060

cc: Richelle McDonald
Principal

Dear Kate,

We have pleasure in presenting our Audit Completion Report for our audit of Reporoa School's financial statements for the year ended 31 December 2020.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We take this opportunity to express our appreciation for the assistance and co-operation provided by the School's staff during the audit. We have received full and frank cooperation. There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO Rotorua Limited

Stephen Graham
Partner
Audit & Assurance Services

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1. EXECUTIVE SUMMARY

STATUS OF THE AUDIT AND THE AUDIT OPINION

('BDO') is the Appointed Audit Firm of Reporoa School (the "School").

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

This report details the processes, findings and recommendations from our audit of the School in accordance with the Auditor General's Auditing Standards, and the terms of our engagement as set out in our audit engagement letter.

Our audit of the School's financial statements for the year ended 31 December 2020 is complete.

We have issued an unqualified audit opinion.

We welcome your feedback on the effectiveness of the audit process and are available to discuss our performance.

AUDIT SCOPE AND OBJECTIVES

Our audit objectives are to:

- report on whether the financial statements give a true and fair view, and
- report to Management about control environment issues that should be addressed by the school.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the school's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Internal Control and Other Findings section of this report.

AREAS OF SIGNIFICANT RISK AND AUDIT EMPHASIS

Our audit approach considered the inherent risks in your business, their potential impact on the financial statements and the associated risk mitigations and controls in place. The significant matters arising from our audit work are:

- Locally raised funds
- Payroll not approved or checked
- Cyclical maintenance provision
- Management Override

We were able to obtain sufficient and appropriate audit evidence in respect to these items and have no significant findings to bring to your attention. Refer to Section 2 for our comments in respect to each significant risk and area of audit emphasis.

SUMMARY OF UNCORRECTED MISSTATEMENTS

Our audit procedures have detected that the surplus of the School is potential overstated by $8,146. Uncorrected misstatements are documented at Appendix 1 and will be included in the letter of representation that you agree with Management's assertion that they are immaterial to the readers understanding of your financial statements.

INTERNAL CONTROLS

Our audit approach requires us to obtain an understanding of an entity's internal controls in order to identify assess the risk of material misstatement of the financial statements whether due to fraud or error but is not designed to provide assurance over the overall effectiveness of controls operating within the School.

We have included in Appendix 1 of this report, a summary of our findings and recommendations arising as a result of our audit procedures.

GOVERNANCE AND ACCOUNTABILITY

Good governance and accountability need and support each other and, if done well, enhance the public's trust in our public sector. Good governance encourages and can result in good accountability. In turn, accountability is a vital element of good governance.

The Auditor-General has published a report, Reflections from our audits: Governance and accountability. This report reflects on common issues, and highlights examples of good and emerging practise, which public entities can use to help improve their governance and accountability arrangements. It also identifies eight elements of good governance and looks at some trends that present new challenges and opportunities for enhancing accountability.

We encourage you to use the findings and examples in this report to consider the School's governance and accountability arrangements. This report is available on the OAG website at www.oag.govt.nz/2016/reflections

2. KEY FINANCIAL STATEMENT AUDIT RISKS AND AREAS OF AUDIT EMPHASIS

Our audit procedures were focused on those areas of the School's activities that are considered to represent the key audit risks identified during the risk assessment process undertaken and communicated with you through the audit arrangements letter at the planning phase of the audit. Below we present a summary of the identified key areas of risk and audit emphasis and our conclusions in relation to each matter. We are satisfied that these areas have been satisfactorily addressed through our audit processes.

Locally Raised Funds	
Area of Audit Emphasis	**Conclusion/Response**
Due to the nature of locally raised funds (often being cash), there is a risk of material misstatement around the completeness of locally raised funds income.	From our audit work performed we found no issues regarding locally raised funds income or expense balances in the financial statements.

Payroll not approved or checked	
Area of Audit Emphasis	**Conclusion/Response**
Payroll is processed by Novopay. The accuracy of payroll processing is dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report.	From our audit work performed we found no issues regarding payroll balances included in the financial statements.

Cyclical Maintenance Provision	
Area of Audit Emphasis	**Conclusion/Response**
Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For Schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert.	From our audit work performed, there were no issues regarding the provision for Cyclical Maintenance in the Financial Statements.

Management Override	
Area of Audit Emphasis	**Conclusion/Response**
There is a rebuttable presumption under the International Auditing Standards that there is a risk of management override.	We have assessed the segregation of duties and risk of management override as part of our planning process, and concluded that the risk of fraud from management override of controls is primarily through the processing of manual journals. We have used a risk based approach to testing manual journals, and focused on any areas where a risk of judgement, estimation or cut-off risk exists with management override in mind. No issues with management override we noted.

3. INTERNAL CONTROL AND OTHER AUDIT FINDINGS

This section of the report sets out the key internal control findings we have identified during the course of the audit and highlights control deficiencies requiring management attention. Our work has been limited to those controls relevant to the audit of your statutory financial statements. The purpose of our audit work on controls is not to provide assurance in its own right on the internal controls and therefore we may not necessarily disclose all matters that might be significant deficiencies or deficiencies that heighten the risk of a fraud being perpetrated.

Below are our findings and recommendations.

Good Administration/Accounting Systems

Finding

We take this opportunity to comment on the efficient and well-controlled nature of your team's administration and accounting function. This is a credit to the people involved as well as the disciplines put in place by your Board. As your auditors, we appreciate your openness to external advice and congratulate your school for your good efforts in ensuring the efficient and effective operation of this important part of your school.

Cyclical Maintenance

Finding

The school's schedule for cyclical maintenance was last formally updated in 2018 (confirmed 6 September 2018) and remained relevant for the 2020 financial reporting period. For the 2021 reporting period and financial reporting purposes it will be important to ensure that the cyclical maintenance schedule is formally reviewed to ensure the timing and costs of the interior and exterior painting obligations align with current costs.

Annual Library Stocktake

Finding	Conclusion
Although the school may be completing an annual library book stock take this is not reflected in the fixed asset register of the school as we were unable to note any books written off/disposed. Because schools are required to account for library resources in the financial statements, you need to carry out a full stocktake each year to determine the quantities of books and other resources on hand, and adjust the fixed asset register and general ledger accordingly. We were able to satisfy ourselves through analytical procedures that the amount recorded for the library asset in the financial statements was not materially misstated.	We recommend that the school performs an annual stock take of all library books and resources. Details of any lost, stolen, damaged or disposed books therefore would be accounted for as disposals in the financial statements of the school.

Issuing of Receipts

Finding	Conclusion
During our audit we noted that cash or money being received was not always receipted. If money is not receipted there is a risk to the School that funds could be misappropriated. There also exists a risk for the staff member dealing with inwards monies in that if a dispute were to arise over inwards monies there would be a lack of documentary evidence of cash received.	We recommend a record of all cash receipts be maintained to support the schedule of monies sent to ESL. This would limit the risk of misappropriation and provide a level of protection for the staff member receipting the cash.

Bulk Asset Purchases

Finding

During the year the school purchased a number of iPads and sports uniform jackets. These have been added as bulk items on the school's fixed asset register. While this is acceptable for financial reporting purposes it will be important to ensure that each item individually is able to be identified (i.e. Using serial numbers, if this hasn't already been done). This is an effective way to monitor assets that are portable and desirable, such as iPads.

This should then be used to regularly updated the fixed asset register.

Reporoa Valley Cluster Bank Account

Finding	Conclusion
The school holds a bank account in the name of the Reporoa Valley Cluster Bank. This bank account has a difference bank account number to the other bank accounts held and was therefore not included in the bank audit certificate. Our audit procedures require us to obtain a bank audit confirmation certificate for all bank accounts held and is, unfortunately part of the cost associated with audits. This allows us obtain independent confirmation of accounts held and to also confirm that there are no other financial arrangements, guarantees or obligations attached to the accounts.	We recommend that a bank audit confirmation certificate is obtained for the Reporoa Valley Cluster bank account for the 31 December 2021 reporting period.

4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

Matter	How the matter was addressed
Auditors responsibility under generally accepted auditing standards	We are responsible for completing an audit in accordance with generally accepted auditing standards in New Zealand. The detailed terms of which are set out in our audit engagement letter.
Confirmation of Audit Independence	In conducting our audit, we are required to comply with the independence requirements of PES-1 Code of Ethics for Assurance Practitioners issued by the External Reporting Board. Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks. For the comfort of the Board, we note that the following processes assist in maintaining our independence: • No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner. • All services performed by any national BDO office will be reported to the governing body. Audit fees billed for the 2020 audit were $4,392 There were no other services provided by our firm for the financial year.
Management Judgements and Estimates	Under International Standards on Auditing (NZ), we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements. Overall we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2020 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable.

Matter	How the matter was addressed
Matters requiring Board of Trustee input	We have placed reliance on the Board's review and approval of the following matters: • Minutes of the Board meetings; • Implementation of such controls as is needed to ensure that financial statements are presented fairly; • Review and approval of management accounts; • Review and approval of annual budget; • Review and approval of 10 Year Property Plan • Notification of fraud; and • Review and approval of the financial statements.
Accounting policies	Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.
Materiality and adjusted/ unadjusted differences	Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures. All unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report. During the course of our audit, we identified misstatements which have been corrected in the financial statements these have been detailed in Appendix 1 of this report. It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.

Matter	How the matter was addressed
Going concern	We have undertaken a review of management and those charged with governance' assessment of the ability of the School to continue as a going concern for 12 months from the date of signing the audit report and therefore whether the going concern basis for the preparation of the financial statements is appropriate. We identified no issues or concerns that lead us to conclude the going concern assumption cannot be relied upon.
Fraud	During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud, however, should instances of fraud come to our attention, we will report them to you.
Compliance with laws and regulations	We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.
Significant findings from the audit	Other than those documented in the executive summary and sections 2 and 3 of this report, there were no significant matters arising from the audit.
Disagreements with management	There have been no disagreements with management over matters of significance to the audit.
Difficulties encountered during the audit	There have been no significant difficulties encountered during the audit.
Consultations with other accountants and consultants	We have considered the need for other accounting specialists during our work and determined, due to the nature of the engagement and experience and knowledge of the engagement team, that no specialists were necessary for the current period.

Matter	How the matter was addressed
Management representation letter	We have not requested specific representation from management in addition to those areas normally covered by our standard representation letter.
Probity, waste and performance	We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.
Publishing Annual Report on the School's Website	The Education Act 1989 requires you to publish your Annual Report on-line. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees and Kiwisport statement. Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time. We note that you did post your 2019 Annual Report on our website. The failure to publish your Annual Report on your website is a breach of section 87AB of the Education Act 1989.

APPENDIX 1 - ADJUSTED AND UNADJUSTED DIFFERENCES

AUDIT ADJUSTMENTS

The following misstatements have been identified during the course of our audit, and *have* been adjusted:

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	$	$	$	$
To adjust for banking staffing at year end	15,474			(15,474)
To recognise staff incorrectly coded to Teachers Salary Grant for 2020		(4,164)		4,164
To recognise staff incorrect coded to Bulk Grant for 2020	2,052			(2,052)
Accrued MOE TAPESA Washup for 2020		(3,870)		3,870
Net Effect of Adjustments made:	17,526	(8,034)	-	(9,492)

UNADJUSTED DIFFERENCES

The following misstatements have been identified during the course of our audit, and *have not* been adjusted as they were considered by management not to be material:

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	$	$	$	$
To adjust for 2020 Bulk Grant Accrual		(5,809)		5,809
To Bring in Wormald Invoice in Dispute		(2,337)		2,337
Net Effect of Adjustments not made:		(8,146)		8,146

APPENDIX 2 - UPDATE ON FINDINGS FROM PRIOR YEAR

Banking and Receipting	
Finding	**Update**
We noted that payment receipts are available, however not signed as authorised. It is important that no single person has control over, or access to, all aspects of recording and control of school funds. Not only does this provide opportunity for abuse of the school funds, but also puts a great responsibility and burden of trust on the person who has this control. We appreciate that it may be difficult to segregate duties but with careful monitoring and oversight by management and the Board this risk can be mitigated.	This matter remains relevant for the current year as noted above.

Minutes	
Finding	**Update**
From our review of minutes for the year we were not always able to identify that the finance report had been presented and reviewed by the Board of Trustees.	This matter has been addressed.

Segregation of Duties	
Finding	**Update**
Segregation of duties associated with the recording and reporting of financial transactions is a fundamental control designed mitigate the risk of misappropriation of funds, human data input error, or unrecorded transactions. The importance of this control is further heightened in environments where income streams are cash based. In the context of a school, finance departments are generally limited to a few individuals and the handling of cash is commonplace. Segregating duties as far as possible is therefore extremely important to ensure the heavy burden of trust is not borne by one individual.	Given that our audit did not include a detailed review of all of the school's systems we feel it is our responsibility to highlight the importance of this matter to the Board. We appreciate that within a small team it is often impossible to segregate duties sufficiently to eliminate this risk and recognise the important role the Board has in its role of monitoring and reviewing financial information. We also point out that based on the work we performed there were no matters of concern identified in respect of segregation of duties.

Stale Cheques	
Finding	**Update**
As noted in prior year, the year-end bank reconciliation included some cheques that remain unpresented more than six months after the date of issue. Some cheques are noted to be dated from December 2016. Such cheques will not be honoured by the bank if they are presented.	This matter has been addressed.

REPOROA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	1923
Principal:	Richelle McDonald
School Address:	34 Massey Road
School Postal Address:	P O Box 2, Reporoa, 3060
School Phone:	07 333 8350
School Email:	office@rep.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Kate Bowron	Chairperson	Elected	Jun 2022
Richelle McDonald	Principal	ex Officio	
John Guyton	Parent Rep	Elected	Jun 2022
Kane Polyblank	Parent Rep	Elected	Jun 2022
Paul Leslie	Parent Rep	Elected	Jun 2022
Kay Werahiko	Parent Rep	Elected	Jun 2022
Susannah Engel	Staff Rep	Elected	Jun 2022

Accountant / Service Provider: Education Services Ltd

REPOROA SCHOOL

Annual Report - For the year ended 31 December 2020

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Reporoa School

Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

Kate Bowron	**Richelle McDonald**
Full Name of Board Chairperson	Full Name of Principal
KB	RMcDonald
Signature of Board Chairperson	Signature of Principal
10/06/2021	**10/06/2021**
Date:	Date:

Reporoa School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue				
Government Grants	2	1,061,952	887,731	943,531
Locally Raised Funds	3	92,122	71,500	75,372
Interest income		1,798	2,000	3,053
Gain on Sale of Property, Plant and Equipment		227	-	-
		1,156,099	961,231	1,021,956
Expenses				
Locally Raised Funds	3	33,624	61,500	36,261
Learning Resources	4	711,170	591,268	662,036
Administration	5	52,941	58,958	55,662
Finance		431	412	728
Property	6	198,925	201,924	219,211
Depreciation	7	51,131	47,676	48,669
Amortisation of Intangible Assets		-	-	1,260
		1,048,222	961,738	1,023,827
Net Surplus / (Deficit) for the year		107,877	(507)	(1,871)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		107,877	(507)	(1,871)

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

Reporoa School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 $	Budget (Unaudited) 2020 $	Actual 2019 $
Balance at 1 January		605,623	597,700	607,494
Total comprehensive revenue and expense for the year		107,877	(507)	(1,871)
Capital Contributions from the Ministry of Education				
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	25	713,500	597,193	605,623
Retained Earnings		713,500	597,193	605,623
Equity at 31 December		713,500	597,193	605,623

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.

Reporoa School
Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Assets				
Cash and Cash Equivalents	8	322,719	173,807	120,543
Accounts Receivable	9	66,850	33,434	47,854
GST Receivable		20,205	11,549	3,696
Prepayments		8,735	4,564	9,938
Inventories	10	27	81	530
Investments	11	79,027	75,334	77,514
		497,563	298,769	260,075
Current Liabilities				
Accounts Payable	13	78,712	52,416	62,947
Borrowings - Due in one year	14	1,706	5,034	3,370
Revenue Received in Advance	15	10,687	9,363	10,917
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability - Current Portion	17	13,089	14,463	14,371
Funds held in Trust	18	6,276	12,682	5,500
Funds held for Capital Works Projects	19	113,861	-	996
		224,331	93,958	98,101
Working Capital Surplus/(Deficit)		273,232	204,811	161,974
Non-current Assets				
Property, Plant and Equipment	12	460,552	428,314	472,497
Intangible Assets		-	1,260	-
		460,552	429,574	472,497
Non-current Liabilities				
Provision for Cyclical Maintenance	16	10,770	-	5,030
Finance Lease Liability	17	9,514	37,192	23,818
		20,284	37,192	28,848
Net Assets		713,500	597,193	605,623
Equity		713,500	597,193	605,623

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

Reporoa School
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash flows from Operating Activities				
Government Grants		314,663	228,829	234,856
Locally Raised Funds		91,892	41,000	76,807
Goods and Services Tax (net)		(16,509)	-	7,853
Funds Administered on Behalf of Third Parties		776	-	(7,182)
Payments to Employees		(102,045)	(79,000)	(115,778)
Payments to Suppliers		(143,415)	(125,654)	(137,587)
Cyclical Maintenance Payments in the year		-	-	(22,801)
Interest Paid		(431)	(412)	(728)
Interest Received		1,798	2,000	3,053
Net cash from/(to) Operating Activities		146,729	66,763	38,493
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		2,762	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(41,721)	(4,500)	(21,528)
Purchase of Investments		(1,513)	-	(2,180)
Net cash from/(to) Investing Activities		(40,472)	(4,500)	(23,708)
Cash flows from Financing Activities				
Finance Lease Payments		(12,982)	(2,820)	(12,982)
Loans Received/ Repayment of Loans		(1,664)	(1,664)	(1,664)
Funds Held for Capital Works Projects		110,565	-	4,376
Net cash from/(to) Financing Activities		95,919	(4,484)	(10,270)
Net increase/(decrease) in cash and cash equivalents		202,176	57,779	4,515
Cash and cash equivalents at the beginning of the year	8	120,543	116,028	116,028
Cash and cash equivalents at the end of the year	8	322,719	173,807	120,543

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.

Reporoa School
Notes to the Financial Statements
For the year ended 31 December 2020

1. Statement of Accounting Policies

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

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

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

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

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

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

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

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

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

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

Cyclical maintenance
A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

Useful lives of property, plant and equipment
The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

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

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

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

c) Revenue Recognition

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

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

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

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

d) Use of Land and Buildings Expense
The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

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

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

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

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

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

j) Investments

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

k) Property, Plant and Equipment

Land and buildings owned by the 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	20-40 Years
Furniture and Equipment	5-15 Years
Information and Communication	5-15 Years
Library Resources	8 Years DV
Leased assets held under a Finance Lease	Term of Lease

l) 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.

Computer software licences with individual values under $1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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.

m) 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.

n) 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.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

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.

p) 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 international students, should the School be unable to provide the services to which they relate.

q) 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.

r) 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 Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) 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.

v) 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.

w) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

x) 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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operational Grants	275,668	216,029	198,700
Teachers' Salaries Grants	623,561	527,668	569,619
Use of Land and Buildings Grants	130,560	131,234	128,096
Resource Teachers Learning and Behaviour Grants	383	-	2,963
Other MoE Grants	31,780	12,800	44,153
	1,061,952	887,731	943,531

The school has opted in to the donations scheme for this year. Total amount received was $14,850.

Other MOE Grants total includes additional COVID-19 funding totalling $2,486 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue			
Donations	33,147	20,000	17,205
Bequests & Grants	16,022	15,000	1,479
Activities	8,815	4,000	13,173
Trading	127	500	686
Fundraising	4,432	2,000	12,275
Other Revenue	29,579	30,000	30,554
	92,122	71,500	75,372
Expenses			
Activities	7,875	9,000	8,656
Trading	536	500	-
Fundraising (Costs of Raising Funds)	9,769	32,000	12,992
Other Locally Raised Funds Expenditure	15,444	20,000	14,613
	33,624	61,500	36,261
Surplus for the year Locally raised funds	58,498	10,000	39,111

4. Learning Resources

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Curricular	36,861	27,100	18,003
Library Resources	2,884	4,500	5,060
Employee Benefits - Salaries	657,198	547,668	626,650
Staff Development	14,227	12,000	12,323
	711,170	591,268	662,036

5. Administration

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Audit Fee	4,392	4,388	4,261
Board of Trustees Fees	2,855	4,000	3,180
Board of Trustees Expenses	595	2,000	2,849
Communication	1,809	2,100	2,070
Consumables	(1,107)	1,200	915
Other	10,175	9,650	9,252
Employee Benefits - Salaries	23,409	25,000	23,533
Insurance	2,008	1,000	1,732
Service Providers, Contractors and Consultancy	8,805	9,620	7,870
	52,941	58,958	55,662

6. Property

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Caretaking and Cleaning Consumables	2,002	2,500	1,842
Cyclical Maintenance Expense	5,740	5,740	21,437
Grounds	8,432	11,700	13,705
Heat, Light and Water	11,397	12,000	13,597
Repairs and Maintenance	2,681	3,750	3,644
Use of Land and Buildings	130,560	131,234	128,096
Employee Benefits - Salaries	36,763	34,000	36,890
Consultancy And Contract Services	1,350	1,000	-
	198,925	201,924	219,211

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.

7. Depreciation

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Building Improvements	18,838	18,460	18,844
Furniture and Equipment	10,070	8,467	8,643
Information and Communication Technology	2,293	2,864	2,924
Motor Vehicles	4,818	2,939	3,000
Leased Assets	14,503	14,288	14,586
Library Resources	609	658	672
	51,131	47,676	48,669

8. Cash and Cash Equivalents

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Bank Current Account	3,260	57,672	5,527
Bank Call Account	319,459	116,135	115,016
Cash and cash equivalents for Statement of Cash Flows	322,719	173,807	120,543

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

Of the $322,719 Cash and Cash Equivalents $113,861 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Receivables	2,052	303	7,891
Banking Staffing Underuse	15,474	-	-
Teacher Salaries Grant Receivable	49,324	33,131	39,963
	66,850	33,434	47,854
Receivables from Exchange Transactions	2,052	303	7,891
Receivables from Non-Exchange Transactions	64,798	33,131	39,963
	66,850	33,434	47,854

10. Inventories

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Stationery	27	81	530
	27	81	530

11. Investments

The School's investment activities are classified as follows:

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Asset			
Short-term Bank Deposits	79,027	75,334	77,514
Total Investments	79,027	75,334	77,514

12. Property, Plant and Equipment

2020	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	358,142	-	-	-	(18,838)	**339,304**
Furniture and Equipment	62,340	12,123	(2,535)	-	(10,070)	**61,858**
Information and Communication Tech	4,043	2,677	-	-	(2,293)	**4,427**
Motor Vehicles	7,208	26,758	-	-	(4,818)	**29,148**
Leased Assets	36,054	-	-	-	(14,503)	**21,551**
Library Resources	4,710	163	-	-	(609)	**4,264**
Balance at 31 December 2020	472,497	41,721	(2,535)	-	(51,131)	**460,552**

The net carrying value of equipment held under a finance lease is $21,551 (2019: $36,054)

2020	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	615,262	(275,958)	**339,304**
Furniture and Equipment	251,937	(190,079)	**61,858**
Information and Communication	50,256	(45,829)	**4,427**
Motor Vehicles	41,758	(12,610)	**29,148**
Leased Assets	54,604	(33,053)	**21,551**
Library Resources	24,135	(19,871)	**4,264**
Balance at 31 December 2020	1,037,952	(577,400)	**460,552**

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	376,987	-	-	-	(18,844)	**358,142**
Furniture and Equipment	53,045	17,937	-	-	(8,643)	**62,340**
Information and Communication Tech	3,830	3,137	-	-	(2,924)	**4,043**
Motor Vehicles	10,208	-	-	-	(3,000)	**7,208**
Leased Assets	50,639	-	-	-	(14,586)	**36,054**
Library Resources	4,929	453	-	-	(672)	**4,710**
Balance at 31 December 2019	499,638	21,527	-	-	(48,669)	**472,497**

The net carrying value of equipment held under a finance lease is $36,054 (2018: $50,639)

2019	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	615,262	(257,120)	**358,142**
Furniture and Equipment	242,576	(180,236)	**62,340**
Information and Communication	47,579	(43,536)	**4,043**
Motor Vehicles	15,000	(7,792)	**7,208**
Leased Assets	54,604	(18,550)	**36,054**
Library Resources	23,972	(19,262)	**4,710**
Balance at 31 December 2019	998,993	(526,496)	**472,497**

13. Accounts Payable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operating Creditors	9,984	4,133	6,032
Accruals	3,642	4,136	4,261
Employee Entitlements - Salaries	49,324	33,131	39,963
Employee Entitlements - Leave Accrual	15,762	11,016	12,691
	78,712	52,416	62,947
Payables for Exchange Transactions	78,712	52,416	62,947
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	78,712	52,416	62,947

The carrying value of payables approximates their fair value.

14. Borrowings

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Due in One Year	1,706	5,034	3,370
Due Beyond One Year	-	-	-
	1,706	5,034	3,370

15. Revenue Received in Advance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Income in Advance	8,977	7,653	9,207
School House Bond	1,710	1,710	1,710
	10,687	9,363	10,917

16. Provision for Cyclical Maintenance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Provision at the Start of the Year	5,030	(5,740)	6,394
Increase to the Provision During the Year	5,740	5,740	21,437
Use of the Provision During the Year	-	-	(22,801)
Provision at the End of the Year	10,770	-	5,030
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	10,770	-	5,030
	10,770	-	5,030

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:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	$	$	$
No Later than One Year	13,254	14,463	14,371
Later than One Year and no Later than Five Years	9,514	37,192	23,818
	22,768	51,655	38,189

18. Funds held in Trust

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	$	$	$
Funds Held in Trust on Behalf of Third Parties - Current	6,276	12,682	5,500
	6,276	12,682	5,500

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

19. 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:

	2020	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Block C Remodel	*completed*	(1,350)	-	1,350	-	-
Block B Upgrade	*in progress*	2,346	194,265	(106,906)	-	89,705
SIP B Heat Pumps	*in progress*	-	26,241	(2,085)	-	24,156
Totals		996	220,506	(107,641)	-	113,861

Represented by:

Funds Held on Behalf of the Ministry of Education	113,861
Funds Due from the Ministry of Education	-
	113,861

	2019	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Block C Remodel	*in progress*	(1,350)	-	-	-	(1,350)
Block B Upgrade	*in progress*	(1,800)	37,877	(33,731)	-	2,346
Drainage Works	*completed*	-	41,128	(41,128)	-	-
Totals		(3,150)	79,005	(74,859)	-	996

20. 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.

21. Remuneration

Key management personnel compensation

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

	2020 Actual $	2019 Actual $
Board Members		
Remuneration	2,855	3,180
Full-time equivalent members	0.08	0.08
Leadership Team		
Remuneration	339,314	310,345
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	342,169	313,525
Total full-time equivalent personnel	3.08	3.08

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

Principal

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

	2020 Actual $000	2019 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2020 FTE Number	2019 FTE Number
100 - 110	1.00	1.00
	1.00	1.00

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

22. Compensation and Other Benefits Upon Leaving

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

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

23. Contingencies

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

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

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

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

24. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into a contract agreement for capital works as follows:

Project to add Autex to Rooms 5, 6, 7 and the Admin Block. The total project is estimated to cost $52,257, the project is only partly funded by the Ministry of Education with a $36,607 being received. The total Boards contribution is estimated to be $15,650. (2019: nil)

(b) Operating Commitments

There are no operating commitments as at 31 December 2020 (Operating commitments at 31 December 2019: nil).

25. 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.

26. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash and Cash Equivalents	322,719	173,807	120,543
Receivables	66,850	33,434	47,854
Investments - Term Deposits	79,027	75,334	77,514
Total Financial assets measured at amortised cost	468,596	282,575	245,911

Financial liabilities measured at amortised cost

Payables	78,712	52,416	62,947
Borrowings - Loans	1,706	5,034	3,370
Finance Leases	22,603	51,655	38,189
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	103,021	109,105	104,506

27. Events After Balance Date

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

28. Comparatives

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

Reporoa School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of $1,630 (excluding GST). The funding was spent on sporting endeavours.

REPOROA PRIMARY SCHOOL

MASSEY ROAD, BOX 2, Reporoa, 3060
Phone 07 333 8350, Cell 027 660 2281
office@rep.school.nz

Stephen Graham

Appointed Auditor

BDO Rotorua Limited

PO Box 143

ROTORUA

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2020

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Reporoa School (the School) for the year ended 31 December 2020 for the purpose of expressing an independent opinion about whether the financial statements present fairly, in all material respects:

- the financial position as at 31 December 2020; and
- the financial performance and cash flows for the year then ended;

and comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand).

General representations

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements present fairly, in all material respects:

- the financial position as at 31 December 2020; and

- the financial performance and cash flows for the year then ended; and

- comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;

- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;

- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and

- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter;

- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with the Public Section Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements.

- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;

- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;

- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:

- management;

- employees who have significant roles in internal control; or

- others where the fraud could have a material effect on the financial statements;

- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;

- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;

- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and

- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2020. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.

- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.

- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully

10/06/2021

Chairperson Date

10/06/2021

Principal Date