

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Opawa School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, 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 15, that comprise the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on the statement of responsibility, analysis of variance, and kiwisport, 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.



Michael Lee
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Christchurch, New Zealand

OPAWA SCHOOL

Annual Accounts For the year ended 31 December 2020

Ministry Number: 3455
Principal: Sally Ormandy
School Address: 30 Ford Road, Christchurch
School Phone: 03 332 6374
School Email: admin@opawa.school.nz

Members of the Board of Trustees

Name	Ceased	
Liz Hawes		Elected
Fiona Platt		Elected
Tom Adams		Elected
Ali Cable	Mar-20	Elected
Lee Hooper		Co-opted
Shevaun Karipa		Elected
Sally Ormandy - Principal		

The term finishes except for the principal in May 2022.

Accountant / Service Provider:

Geoff Gillam Consultants

Opawa School

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Other Information

Analysis of Variance

Kiwisport

Opawa School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees (the Board) has pleasure in presenting the annual report of Opawa School incorporating the financial statements and the auditor's report, 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.

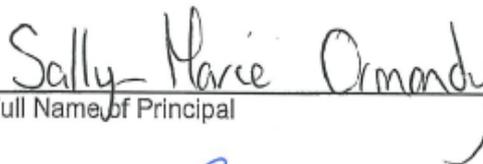
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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 Chairperson and the principal.



Full Name of Board Chairperson



Full Name of Principal



Signature of Board Chairperson



Signature of Principal

31 May 2021

Date:

31 May 2021

Date:

Opawa 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	2,846,726	2,705,635	2,354,708
Locally Raised Funds	3	45,118	5,000	85,586
Interest Earned		14,994	8,000	21,483
		<u>2,906,838</u>	<u>2,718,635</u>	<u>2,461,777</u>
Expenses				
Locally Raised Funds	3	43,483	16,050	53,772
Learning Resources	4	2,022,836	2,034,745	1,877,066
Administration	5	132,606	142,901	132,751
Finance Costs		2,980	-	1,232
Property	6	465,515	518,706	365,581
Depreciation	7	50,372	50,540	42,030
		<u>2,717,792</u>	<u>2,762,942</u>	<u>2,472,432</u>
Net Surplus / (Deficit)		189,046	(44,307)	(10,655)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>189,046</u></u>	<u><u>(44,307)</u></u>	<u><u>(10,655)</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.

Opawa School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January	<u>585,708</u>	<u>585,708</u>	<u>596,363</u>
Total comprehensive revenue and expense for the year	189,046	(44,307)	(10,655)
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	<u>774,754</u>	<u>541,401</u>	<u>585,708</u>
Retained Earnings	774,754	541,401	585,708
Reserves	-	-	-
Equity at 31 December 2020	<u>774,754</u>	<u>541,401</u>	<u>585,708</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.

Opawa 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	30,930	12,689	(24,962)
Accounts Receivable	9	150,749	119,000	118,967
GST Receivable		3,764	5,000	6,966
Prepayments		1,731	2,000	2,119
Investments	10	650,495	600,000	684,730
		<u>837,669</u>	<u>738,689</u>	<u>787,820</u>
Current Liabilities				
Accounts Payable	12	130,597	132,000	143,510
Revenue Received in Advance	13	13,538	10,000	16,507
Provision for Cyclical Maintenance	14	61,855	159,167	159,167
Finance Lease Liability - Current Portion	15	29,368	23,000	27,104
		<u>235,358</u>	<u>324,167</u>	<u>346,288</u>
Working Capital Surplus or (Deficit)		602,311	414,522	441,532
Non-current Assets				
Investments (more than 12 months)	10	2,000	2,000	2,000
Property, Plant and Equipment	11	192,249	144,879	185,419
		<u>194,249</u>	<u>146,879</u>	<u>187,419</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	-	-
Finance Lease Liability	15	21,806	20,000	43,243
		<u>21,806</u>	<u>20,000</u>	<u>43,243</u>
Net Assets		<u>774,754</u>	<u>541,401</u>	<u>585,708</u>
Equity		<u>774,754</u>	<u>541,401</u>	<u>585,708</u>

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

Opawa School

Cash Flow Statement

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		831,224	727,134	670,499
Locally Raised Funds		44,876	7,700	82,886
Goods and Services Tax (net)		3,202	1,966	1,259
Payments to Employees		(447,432)	(416,573)	(430,877)
Payments to Suppliers		(347,027)	(334,477)	(280,350)
Interest Paid		(1,778)	-	(30)
Interest Received		17,936	11,025	19,892
Net cash from / (to) the Operating Activities		101,001	(3,225)	63,279
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(47,822)	(5,000)	(13,341)
Purchase of Investments		-	-	(118,459)
Proceeds from Sale of Investments		34,235	84,730	-
Net cash from / (to) the Investing Activities		(13,587)	79,730	(131,800)
Cash flows from Financing Activities				
Funds Administered on Behalf of Third Parties		(2,969)	(6,507)	11,816
Contribution by the Ministry of Education - Furniture and Equipment Grants		-	-	-
Finance Lease Payments		(28,553)	(32,347)	(22,952)
Net cash from Financing Activities		(31,522)	(38,854)	(11,136)
Net increase/(decrease) in cash and cash equivalents		55,892	37,651	(79,657)
Cash and cash equivalents at the beginning of the year	8	(24,962)	(24,962)	54,695
Cash and cash equivalents at the end of the year	8	30,930	12,689	(24,962)

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.

Opawa School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2020

a) Reporting Entity

Opawa 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 PBE Accounting Standards (PBE IPSAS) 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 publically 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 11.

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.

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 14.

Recognition of grants

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

c) Revenue Recognition

Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives; *Operational grants* are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

Other Grants

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

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.

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 three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Investments

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

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.

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.

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

	Years
Building improvements – Crown	40
Furniture and equipment	5-10
Information and communication technology	5-10
Plant	10
Leased	3
Library resources	10

k) Impairment of property, plant, and equipment

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

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

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

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

l) Accounts Payable

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

m) Employee Entitlements

Short-term employee entitlements

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

n) Revenue Received in Advance

Revenue received in advance relates to fees received from 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, should the School be unable to provide the services to which they relate.

o Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

p) Financial Instruments

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

q) 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 "financial assets measured at fair value through other comprehensive income" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, and painting contra liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational grants	642,479	600,635	532,554
Teachers' salaries grants	1,633,880	1,630,000	1,500,420
Use of Land and Buildings grants	354,172	350,000	185,679
Other MOE grants	216,195	125,000	136,055
	<u>2,846,726</u>	<u>2,705,635</u>	<u>2,354,708</u>

The school has opted in to the donations scheme for this year. Total amount received was \$52,500.

MOE Grants total includes additional COVID-19 funding totalling \$13,734 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 \$
<i>Revenue</i>			
Donations	13,420	-	22,461
Activities	22,032	-	49,398
Trading	9,666	5,000	13,727
	<u>45,118</u>	<u>5,000</u>	<u>85,586</u>
<i>Expenses</i>			
Activities	36,583	15,800	37,734
Trading	3,577	-	2,133
Donation costs	3,323	250	13,905
	<u>43,483</u>	<u>16,050</u>	<u>53,772</u>
<i>Surplus for the year Locally raised funds</i>	<u>1,635</u>	<u>(11,050)</u>	<u>31,814</u>

4 Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	63,480	101,945	66,268
Employee Benefits - Salaries	1,947,461	1,915,000	1,771,521
Staff Development	11,895	17,800	39,277
	<u>2,022,836</u>	<u>2,034,745</u>	<u>1,877,066</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	5,276	4,126	4,143
Board of Trustees Fees	1,990	4,000	3,825
Board of Trustees Expenses	3,171	6,275	8,156
Communication	3,652	5,700	6,712
Consumables	19,517	18,500	17,726
Staff Expenses	11,052	9,500	5,749
Other	10,277	18,300	9,366
Employee Benefits - Salaries	77,671	76,500	77,074
	<u>132,606</u>	<u>142,901</u>	<u>132,751</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	7,004	6,000	6,267
Consultancy and Contract Services	42,302	40,000	2,626
Cyclical Maintenance Provision	(97,312)	-	13,712
Grounds	6,955	7,500	6,264
Heat, Light and Water	29,609	28,500	27,636
Rates	5,988	6,000	6,969
Repairs and Maintenance	62,257	26,706	33,278
Use of Land and Buildings - Non-Integrated	354,172	350,000	185,679
Employee Benefits - Salaries	54,540	54,000	83,150
	<u>465,515</u>	<u>518,706</u>	<u>365,581</u>

7. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	3,316	3,000	3,316
Furniture and Equipment	5,583	6,000	4,376
Information and Communication Technology	5,956	6,000	6,052
Plant	2,025	2,000	1,820
Leased Assets	30,512	30,540	22,798
Library Resources	2,980	3,000	3,668
	<u>50,372</u>	<u>50,540</u>	<u>42,030</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	75	75	75
Bank Current Account	30,555	11,614	(27,084)
Bank Call Account	300	1,000	2,047
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>30,930</u>	<u>12,689</u>	<u>(24,962)</u>

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

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Debtors	2,942	-	2,700
Debtor Ministry of Education	27,747	-	1,499
Interest Accrued	2,083	2,000	5,025
Teacher Salaries Grant Receivable	117,977	117,000	109,743
	<u>150,749</u>	<u>119,000</u>	<u>118,967</u>
Receivables from Exchange Transactions	5,025	2,000	7,725
Receivables from Non-Exchange Transactions	145,724	117,000	111,242
	<u>150,749</u>	<u>119,000</u>	<u>118,967</u>

10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	650,495	600,000	684,730
Non-current Asset			
Long-term Bank Deposits with Maturities Greater than One Year	2,000	2,000	2,000

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2020.

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Buildings	55,907	-	-	-	(3,316)	52,591
Furniture and Equipment	26,696	35,485	-	-	(5,583)	56,598
Information and Communication	11,124	9,417	-	-	(5,956)	14,585
Plant	11,982	2,900	-	-	(2,025)	12,857
Leased Assets	70,335	9,400	-	-	(30,512)	49,223
Library Resources	9,375	-	-	-	(2,980)	6,395
Balance at 31 December 2020	185,419	57,202	-	-	(50,372)	192,249

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	132,638	(80,047)	52,591
Furniture and Equipment	222,532	(165,934)	56,598
Information and Communication	175,775	(161,190)	14,585
Plant	65,058	(52,201)	12,857
Leased Assets	96,588	(47,365)	49,223
Library Resources	73,425	(67,030)	6,395
Balance at 31 December 2020	766,016	(573,767)	192,249

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	59,223	-	-	-	(3,316)	55,907
Furniture and Equipment	25,862	5,210	-	-	(4,376)	26,696
Information and Communication	17,176	-	-	-	(6,052)	11,124
Plant	5,566	8,236	-	-	(1,820)	11,982
Leased Assets	14,464	78,669	-	-	(22,798)	70,335
Library Resources	13,043	-	-	-	(3,668)	9,375
Balance at 31 December 2019	135,334	92,115	-	-	(42,030)	185,419

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	132,638	(76,731)	55,907
Furniture and Equipment	191,177	(164,481)	26,696
Information and Communication	175,287	(164,163)	11,124
Plant	62,158	(50,176)	11,982
Leased Assets	94,318	(23,983)	70,335
Library Resources	73,425	(64,050)	9,375
Balance at 31 December 2019	729,003	(543,584)	185,419

12. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	8,187	10,000	27,694
Employee Benefits Payable - Salaries	117,977	117,000	109,743
Employee Benefits Payable - Leave Accrual	4,433	5,000	6,073
	<u>130,597</u>	<u>132,000</u>	<u>143,510</u>
Payables for Exchange Transactions	130,597	132,000	143,510
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
	<u><u>130,597</u></u>	<u><u>132,000</u></u>	<u><u>143,510</u></u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held on Behalf of Third Parties	13,538	10,000	16,507
	<u>13,538</u>	<u>10,000</u>	<u>16,507</u>

14. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	159,167	159,167	145,455
Increase to the Provision During the Year	(97,312)	-	13,712
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>61,855</u>	<u>159,167</u>	<u>159,167</u>
Cyclical Maintenance - Current	61,855	159,167	159,167
Cyclical Maintenance - Term	-	-	-
	<u><u>61,855</u></u>	<u><u>159,167</u></u>	<u><u>159,167</u></u>

15. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	29,368	23,000	27,104
Later than One Year and no Later than Five Years	21,806	20,000	43,243
Later than Five Years	-	-	-
	<u>51,174</u>	<u>43,000</u>	<u>70,347</u>

16. Related Party Transactions

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

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

17. Remuneration

Key management personnel compensation

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

	2020	2019
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	1,990	3,825
Full-time equivalent members	0.12	0.12
<i>Leadership Team</i>		
Remuneration	280,315	249,335
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>282,305</u>	<u>253,160</u>
Total full-time equivalent personnel	<u>2.12</u>	<u>2.12</u>

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

Principal

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

	2020	2019
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	140-150
Benefits and Other Emoluments	1-10	1-10
Termination Benefits	-	-

Other Employees

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

Remuneration	2020	2019
\$000	FTE Number	FTE Number
100 - 110	1	-
110 - 120	1	-
	<u>2</u>	<u>-</u>

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

18. 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	-	-

19. 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.

20. Commitments

(a) Capital Commitments

As at 31 December 2020, the Board had no capital commitments.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board had no operating commitments.

(Operating commitments at 31 December 2019: nil)

21. 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.

22. 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	30,930	12,689	(24,962)
Receivables	150,749	119,000	118,967
Investments - Term Deposits	652,495	602,000	686,730
Total Cash and Receivables	834,174	733,689	780,735

Financial liabilities measured at amortised cost

Payables	130,597	132,000	143,510
Finance Leases	51,174	43,000	70,347
Total Financial Liabilities Measured at Amortised Cost	181,771	175,000	213,857

23. Events After Balance Date

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