

# OREWA PRIMARY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

Ministry Number: 1407

Principal: Diane Lambert

School Address: 86 Maire Road, Orewa

School Postal Address: 86 Maire Road, Orewa 0931

School Phone: (09) 426 5548

School Email: [admin@orewaprimary.school.nz](mailto:admin@orewaprimary.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
A Cotterell	Chairperson	Elected	2022
D Lambert	Principal	Appointed	2022
A Heath	Staff Representative	Elected	2022
D Hilton	Parent Representative	Elected	2022
S Pickering	Parent Representative	Elected	2022
A Locking	Parent Representative	Elected	2022
G Larcombe	Parent Representative	Selected	2022
W Hope	Parent Representative	Elected	Jun-20

# OREWA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2020

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# Orewa Primary 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.

Amanda Eleanor Cotterell  
Full Name of Board Chairperson

  
Signature of Board Chairperson

28/5/2021  
Date:

Diane Carol Lambert  
Full Name of Principal

  
Signature of Principal

28/05/2021  
Date:

# Orewa Primary School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	4,456,072	4,254,304	4,171,977
Locally Raised Funds	3	140,363	180,300	219,770
Interest income		28,064	30,810	36,029
International Students	4	-	11,304	27,308
		<u>4,624,499</u>	<u>4,476,718</u>	<u>4,455,084</u>
<b>Expenses</b>				
Locally Raised Funds	3	65,660	120,917	96,614
International Students	4	-	400	327
Learning Resources	5	2,663,491	2,616,299	2,526,012
Administration	6	153,014	168,301	154,448
Finance		4,119	5,046	4,632
Property	7	1,541,800	1,599,627	1,467,552
Depreciation	8	115,950	95,000	102,241
Loss on Disposal of Property, Plant and Equipment		4,891	-	16,743
		<u>4,548,925</u>	<u>4,605,590</u>	<u>4,368,569</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>75,574</b>	<b>(128,872)</b>	<b>86,515</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>75,574</b></u>	<u><b>(128,872)</b></u>	<u><b>86,515</b></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.

# Orewa Primary School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>	<u>1,655,564</u>	<u>1,655,564</u>	<u>1,564,689</u>
Total comprehensive revenue and expense for the year	75,574	(128,872)	86,515
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	4,360
<b>Equity at 31 December</b>	<u>1,731,138</u>	<u>1,526,692</u>	<u>1,655,564</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.

# Orewa Primary School

## Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	9,085	6,424	163,959
Accounts Receivable	10	211,609	187,939	187,939
GST Receivable		21,375	-	-
Prepayments		18,074	10,128	10,128
Inventories	11	16,688	21,408	21,408
Investments	12	1,061,805	967,698	1,027,698
		<u>1,338,636</u>	<u>1,193,597</u>	<u>1,411,132</u>
<b>Current Liabilities</b>				
GST Payable		-	373	373
Accounts Payable	14	222,843	188,969	188,969
Revenue Received in Advance	15	-	11,305	11,305
Finance Lease Liability - Current Portion	17	15,513	15,317	15,317
Funds held for Capital Works Projects	18	(36,383)	118,695	118,695
Funds for Resource Teachers Literacy	19	2,419	-	2,076
		<u>204,392</u>	<u>334,659</u>	<u>336,735</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>1,134,244</b>	<b>858,938</b>	<b>1,074,397</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	<u>725,376</u>	<u>769,774</u>	<u>681,111</u>
		<u>725,376</u>	<u>769,774</u>	<u>681,111</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	114,628	72,907	72,907
Finance Lease Liability	17	13,854	27,037	27,037
		<u>128,482</u>	<u>99,944</u>	<u>99,944</u>
<b>Net Assets</b>		<u><u>1,731,138</u></u>	<u><u>1,528,768</u></u>	<u><u>1,655,564</u></u>
<b>Equity</b>	24	<u><u>1,731,138</u></u>	<u><u>1,526,692</u></u>	<u><u>1,655,564</u></u>

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



# Orewa Primary School Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual \$	(Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	882,539	731,722	753,370
Locally Raised Funds	130,927	180,300	222,080
International Students	(11,305)	11,304	19,512
Goods and Services Tax (net)	(21,748)	-	1,524
Funds Administered on Behalf of Third Parties	343	-	-
Payments to Employees	(526,404)	(507,094)	(450,795)
Payments to Suppliers	(274,168)	(454,922)	(353,582)
Cyclical Maintenance Payments in the year	(1)	(20,946)	-
Interest Paid	(4,119)	(5,046)	(4,632)
Interest Received	34,338	30,810	36,503
<b>Net cash from/(to) Operating Activities</b>	<b>210,402</b>	<b>(33,872)</b>	<b>223,980</b>
<b>Cash flows from Investing Activities</b>			
Purchase of Property Plant & Equipment (and Intangibles)	(163,106)	(183,663)	(308,570)
Purchase of Investments	(34,107)	-	-
Proceeds from Sale of Investments	-	60,000	13,794
<b>Net cash from/(to) Investing Activities</b>	<b>(197,213)</b>	<b>(123,663)</b>	<b>(294,776)</b>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	4,360
Finance Lease Payments	(12,987)	-	6,072
Funds Held for Capital Works Projects	(155,078)	-	103,709
<b>Net cash from/(to) Financing Activities</b>	<b>(168,065)</b>	<b>-</b>	<b>114,141</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(154,876)</b>	<b>(157,535)</b>	<b>43,345</b>
Cash and cash equivalents at the beginning of the year	9 163,959	163,959	120,614
<b>Cash and cash equivalents at the end of the year</b>	<b>9 9,083</b>	<b>6,424</b>	<b>163,959</b>

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

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

# Orewa Primary School

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Orewa Primary 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 13.



### **Critical Judgements in applying accounting policies**

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

#### **Classification of leases**

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

#### **Recognition of grants**

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

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

#### **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 to Crown Owned Assets	50 years
Furniture and equipment	5-10 years
Information and communication technology	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

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

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

#### **Non cash generating assets**

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

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

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

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

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

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

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

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

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

**o) Revenue Received In Advance**

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

**p) 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).

**q) 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.

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

**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.

**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	713,007	595,915	594,703
Teachers' Salaries Grants	2,264,298	2,173,300	2,144,893
Use of Land and Buildings Grants	1,309,235	1,349,282	1,285,030
Resource Teachers Learning and Behaviour Grants	12,611	12,954	13,485
Other MoE Grants	148,008	119,073	133,866
Other Government Grants	8,913	3,780	-
	<u>4,456,072</u>	<u>4,254,304</u>	<u>4,171,977</u>

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Donations	45,722	43,500	78,899
Activities	39,945	83,000	76,977
Trading	36,114	35,800	37,074
Fundraising	18,582	18,000	26,820
	<u>140,363</u>	<u>180,300</u>	<u>219,770</u>
<b>Expenses</b>			
Activities	30,237	84,517	58,278
Trading	29,325	30,400	29,590
Fundraising (Costs of Raising Funds)	6,098	6,000	8,746
	<u>65,660</u>	<u>120,917</u>	<u>96,614</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>74,703</u>	<u>59,383</u>	<u>123,156</u>

**4. International Student Revenue and Expenses**

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	0	2	3
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
International Student Fees	-	11,304	27,308
<b>Expenses</b>			
Other Expenses	-	400	327
	-	400	327
<i>Surplus/ (Deficit) for the year International Students</i>	-	10,904	26,981

**5. Learning Resources**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	41,911	71,556	54,845
Equipment Repairs	853	3,540	3,171
Information and Communication Technology	2,197	4,000	6,243
Library Resources	160	900	364
Employee Benefits - Salaries	2,599,807	2,498,473	2,425,604
Other expenses	1,458	2,500	1,499
Resource/attached teacher costs	12,611	15,030	13,485
Staff Development	4,494	20,300	20,801
	2,663,491	2,616,299	2,526,012

**6. Administration**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	6,561	6,561	6,370
Board of Trustees Fees	2,770	4,785	4,225
Board of Trustees Expenses	6,408	14,000	13,708
Communication	1,356	1,900	1,669
Consumables	7,546	8,584	6,271
Operating Lease	432	533	472
Information and Communication Technology	22,576	25,800	21,732
Other	6,172	10,185	6,738
Employee Benefits - Salaries	86,060	81,926	79,810
Insurance	8,783	8,227	7,653
Service Providers, Contractors and Consultancy	4,350	5,800	5,800
	153,014	168,301	154,448

## 7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	12,590	12,174	11,590
Consultancy and Contract Services	-	1,000	-
Cyclical Maintenance Provision	41,721	20,946	24,144
Grounds	33,579	55,438	16,067
Heat, Light and Water	23,514	33,307	27,349
Rates	228	232	193
Repairs and Maintenance	8,513	25,096	11,790
Use of Land and Buildings	1,309,235	1,349,282	1,285,030
Security	1,915	2,157	1,505
Employee Benefits - Salaries	110,505	99,995	89,884
	<u>1,541,800</u>	<u>1,599,627</u>	<u>1,467,552</u>

## 8. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	8,737	7,158	7,556
Furniture and Equipment	61,572	50,447	51,864
Information and Communication Technology	26,453	21,691	26,794
Leased Assets	14,966	12,245	12,572
Library Resources	4,222	3,459	3,455
	<u>115,950</u>	<u>95,000</u>	<u>102,241</u>

## 9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	200	200	200
Bank Current Account	8,118	1,224	12,097
Bank Call Account	767	5,000	151,662
Cash and cash equivalents for Statement of Cash Flows	<u>9,085</u>	<u>6,424</u>	<u>163,959</u>

**10. Accounts Receivable**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	13,906	4,470	4,470
Interest Receivable	19,572	25,846	25,846
Teacher Salaries Grant Receivable	178,131	157,623	157,623
	<u>211,609</u>	<u>187,939</u>	<u>187,939</u>
Receivables from Exchange Transactions	33,478	30,316	30,316
Receivables from Non-Exchange Transactions	178,131	157,623	157,623
	<u>211,609</u>	<u>187,939</u>	<u>187,939</u>

**11. Inventories**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	2,513	1,601	1,601
School Uniforms	14,175	19,807	19,807
	<u>16,688</u>	<u>21,408</u>	<u>21,408</u>

**12. Investments**

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	1,061,805	967,698	1,027,698
	<u>1,061,805</u>	<u>967,698</u>	<u>1,027,698</u>
Total Investments			



### 13. Property, Plant and Equipment

	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	343,533	52,150	(2,052)		(8,737)	384,894
Furniture and Equipment	231,247	78,375	(1,571)		(61,572)	246,479
Information and Communication Technology	39,315	29,882	(1,907)	-	(26,453)	40,837
Leased Assets	37,443	-	-		(14,966)	22,477
Library Resources	29,573	5,431	(93)		(4,222)	30,689
<b>Balance at 31 December 2020</b>	<b>681,111</b>	<b>165,838</b>	<b>(5,623)</b>	<b>-</b>	<b>(115,950)</b>	<b>725,376</b>

The net carrying value of equipment held under a finance lease is \$22,477; (2020 : \$37,443).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	460,085	(75,191)	384,894
Furniture and Equipment	861,713	(615,234)	246,479
Information and Communication Technology	297,207	(256,370)	40,837
Leased Assets	56,396	(33,919)	22,477
Library Resources	71,244	(40,555)	30,689
<b>Balance at 31 December 2020</b>	<b>1,746,645</b>	<b>(1,021,269)</b>	<b>725,376</b>

	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	201,698	149,391			(7,556)	343,533
Furniture and Equipment	192,760	101,829	(11,478)		(51,864)	231,247
Information and Communication Technology	37,775	32,496	(4,162)		(26,794)	39,315
Leased Assets	31,090	22,608	(3,683)		(12,572)	37,443
Library Resources	25,595	7,529	(96)		(3,455)	29,573
<b>Balance at 31 December 2019</b>	<b>339,527</b>	<b>463,244</b>	<b>(19,419)</b>	<b>-</b>	<b>(102,241)</b>	<b>681,111</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	410,435	(66,902)	343,533
Furniture and Equipment	785,003	(553,756)	231,247
Information and Communication Technology	358,495	(319,180)	39,315
Leased Assets	56,396	(18,953)	37,443
Library Resources	66,492	(36,919)	29,573
<b>Balance at 31 December 2019</b>	<b>1,676,821</b>	<b>(995,710)</b>	<b>681,111</b>

The net carrying value of equipment held under a finance lease is \$37,443; (2019 : \$31,090).



**14. Accounts Payable**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	15,098	9,593	9,593
Accruals	6,561	6,370	6,370
Employee Entitlements - Salaries	179,286	157,623	157,623
Employee Entitlements - Leave Accrual	21,898	15,383	15,383
	<u>222,843</u>	<u>188,969</u>	<u>188,969</u>
 Payables for Exchange Transactions	 222,843	 188,969	 188,969
	<u>222,843</u>	<u>188,969</u>	<u>188,969</u>

The carrying value of payables approximates their fair value.

**15. Revenue Received In Advance**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	-	11,305	11,305
	<u>-</u>	<u>11,305</u>	<u>11,305</u>

**16. Provision for Cyclical Maintenance**

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	72,907	72,907	48,763
Increase/ (decrease) to the Provision During the Year	41,721	-	24,144
Provision at the End of the Year	<u>114,628</u>	<u>72,907</u>	<u>72,907</u>
 Cyclical Maintenance - Term	 114,628	 72,907	 72,907
	<u>114,628</u>	<u>72,907</u>	<u>72,907</u>

## 17. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	15,513	15,317	15,317
Later than One Year and no Later than Five Years	13,854	27,037	27,037
	<u>29,367</u>	<u>42,354</u>	<u>42,354</u>

## 18. Funds Held for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Roofing	<i>in progress</i>	111,659	-	(156,633)	-	(44,974)
Drainage	<i>in progress</i>	7,036	-	(29,907)	-	(22,871)
Smoke alarms	<i>completed</i>	-	7,467	(7,467)	-	-
SIP	<i>in progress</i>	-	31,462	-	-	31,462
Totals		<u>118,695</u>	<u>38,929</u>	<u>(194,007)</u>	<u>-</u>	<u>(36,383)</u>

### Represented by:

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

31,462  
67,845

(36,383)

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Roofing	<i>in progress</i>	15,225	210,000	(113,566)	-	111,659
Drainage	<i>in progress</i>	(1,000)	47,800	(39,764)	-	7,036
Totals		<u>14,225</u>	<u>257,800</u>	<u>(153,330)</u>	<u>-</u>	<u>118,695</u>

## 19. Funds for RTLIT Services

Orewa Primary School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers: Literacy to its cluster of schools.

	2020 Actual \$	2020 (Unaudited) \$	2019 Actual \$
Funds held at beginning of the year	2,076	2,076	2,837
<i>Revenue</i>			
Administration Grant	12,954	12,954	12,724
	<u>12,954</u>	<u>12,954</u>	<u>12,724</u>
Total funds available	<u>15,030</u>	<u>15,030</u>	<u>15,561</u>
<i>Expenses</i>			
Administration	4,624	3,485	4,286
Staff Development	742	2,000	890
Travel	7,245	9,545	8,309
	<u>12,611</u>	<u>15,030</u>	<u>13,485</u>
Funds Held at Year End	<u>2,419</u>	<u>-</u>	<u>2,076</u>
Equity	<u>2,419</u>	<u>-</u>	<u>2,076</u>

## 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 \$
<i>Board Members</i>		
Remuneration	2,770	4,225
Full-time equivalent members	0.13	0.46
<i>Leadership Team</i>		
Remuneration	263,464	244,672
Full-time equivalent members	2	2
Total key management personnel remuneration	266,234	248,897
Total full-time equivalent personnel	2.13	2.46

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

*Principal 1*

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	140 - 150
Benefits and Other Emoluments	4 - 5	-
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	2.00	1.00
	2.00	1.00

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

## 22. Contingencies

There are no contingent liabilities 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.

## 23. Commitments

### (a) Capital Commitments

As at 31 December 2020 there were no capital commitments.  
(Capital commitments at 31 December 2019: Nil)

### (b) Operating Commitments

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

(a) operating lease of a vehicle

(b) operating lease of an eftpos terminal

	2020 Actual \$	2019 Actual \$
No later than One Year	4,993	4,993
Later than One Year and No Later than Five Years	1,573	6,133
	<u>6,566</u>	<u>11,126</u>

## 24. 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.

## 25. 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	9,085	6,424	163,959
Receivables	211,609	187,939	187,939
Investments - Term Deposits	1,061,805	967,698	1,027,698
Total Financial assets measured at amortised cost	<u>1,282,499</u>	<u>1,162,061</u>	<u>1,379,596</u>

### Financial liabilities measured at amortised cost

Payables	222,843	188,969	188,969
Finance Leases	29,367	42,354	42,354
Total Financial Liabilities Measured at Amortised Cost	<u>252,210</u>	<u>231,323</u>	<u>231,323</u>

## 26. Events After Balance Date

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

## 27. Comparatives

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

**Orewa Primary School**

## **Report on Special and Contestable Funding**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$6,480 (excluding GST).

The funding was spent on athletic days, a swimming programme, 'Have a Go' surfing day, coaching and teaching staff.



## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Orewa School (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, 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 20, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 28 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### Basis for our opinion

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

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

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

#### Responsibilities of the Board of Trustees for the financial statements

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



# Deloitte.

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

The Board of Trustees' responsibilities, 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Deloitte.

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

## Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, 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.



Melissa Youngson  
Partner  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand