

DARFIELD PRIMARY SCHOOL

Annual Report For the year ended 31 December 2020

Ministry Number: 3326
Principal: Meredith Devonald
School Address: 16 Ross Street., Darfield
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Members of the Board of Trustees

Name	Ceased	Term Finishes
Katie Molløy	Elected	May-22
Cleia Tymons	Elected	May-22
Tig Dalley	Elected	May-22
Britta Pliarcyk	Elected	May-22
Natalie Peters	Elected	May-22
Mark Robb	Elected	May-22
Meredith Devonald - Principal		

Accountant / Service Provider:
Geoff Gillam Consultants

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Darfield Primary 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 Darfield Primary 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.

Cecelia Tymons
Full Name of Board Chairperson


Signature of Board Chairperson

9th Sept 21.
Date:

Meredita Devonald
Full Name of Principal

M. Devonald
Signature of Principal

9.9.21
Date:

Darfield Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	1,880,472	1,798,209	1,721,466
Locally Raised Funds	3	55,623	23,400	71,627
Interest Earned		4,246	3,500	6,486
Gain on Sale of Property, Plant and Equipment		2,406	-	653
		<u>1,942,747</u>	<u>1,825,109</u>	<u>1,800,232</u>
Expenses				
Locally Raised Funds	3	24,940	-	40,280
Learning Resources	4	1,262,429	1,219,775	1,168,479
Administration	5	94,791	95,449	99,329
Finance Costs		1,310	-	905
Property	6	487,113	476,727	428,903
Depreciation	7	50,569	33,000	57,054
		<u>1,921,152</u>	<u>1,824,951</u>	<u>1,794,950</u>
Net Surplus / (Deficit)		21,595	158	5,282
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>21,595</u></u>	<u><u>158</u></u>	<u><u>5,282</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.

Darfield Primary School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		613,402	613,402	608,120
Total comprehensive revenue and expense for the year		21,595	158	5,282
Equity at 31 December	22	634,997	613,560	613,402
Retained Earnings		634,997	613,560	613,402
Reserves		-	-	-
Equity at 31 December 2020		634,997	613,560	613,402

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.

Darfield Primary 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	62,713	63,817	25,199
Accounts Receivable	9	78,525	75,000	91,874
GST Receivable		5,657	3,000	4,180
Prepayments		1,224	1,000	1,104
Inventories		1,037	1,500	1,167
Investments	10	166,726	160,000	215,620
		<u>315,882</u>	<u>304,317</u>	<u>339,144</u>
Current Liabilities				
Accounts Payable	12	93,605	103,000	95,756
Revenue Received in Advance	13	852	-	1,091
Provision for Cyclical Maintenance	14	20,767	20,500	51,621
Finance Lease Liability - Current Portion	15	7,199	4,500	6,110
Funds held on behalf of RTLit	17	19,244	18,000	26,052
Funds held for Capital Works Projects	16	10,466	-	-
		<u>152,133</u>	<u>146,000</u>	<u>180,630</u>
Working Capital Surplus or (Deficit)		163,749	158,317	158,514
Non-current Assets				
Property, Plant and Equipment	11	501,390	483,003	503,803
		<u>501,390</u>	<u>483,003</u>	<u>503,803</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	23,088	25,000	41,655
Finance Lease Liability	15	7,054	2,760	7,260
		<u>30,142</u>	<u>27,760</u>	<u>48,915</u>
Net Assets		<u><u>634,997</u></u>	<u><u>613,560</u></u>	<u><u>613,402</u></u>
Equity		<u><u>634,997</u></u>	<u><u>613,560</u></u>	<u><u>613,402</u></u>

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

Darfield Primary School

Cash Flow Statement

For the year ended 31 December 2020

	2020	2020	2019
Notes	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	414,320	346,519	368,297
Locally Raised Funds	55,623	23,400	71,627
Goods and Services Tax (net)	(1,477)	1,180	6,718
Payments to Employees	(228,430)	(187,963)	(234,604)
Payments to Suppliers	(214,355)	(178,272)	(193,150)
Interest Received	5,325	5,587	4,632
Funds Administered on Behalf of Third Parties	3,419	(9,143)	3,535
Net cash from / (to) the Operating Activities	34,425	1,308	27,055
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	7,826	-	653
Purchase of PPE (and Intangibles)	(45,082)	(12,200)	36,842
Purchase of Investments	-	-	(69,217)
Proceeds from Sale of Investments	48,894	55,620	-
Net cash from / (to) the Investing Activities	11,638	43,420	(31,722)
Cash flows from Financing Activities			
Contribution by the Ministry of Education - Furniture and Equipment Grants	-	-	-
Finance Lease Payments	(8,549)	(6,110)	(8,400)
Net cash from Financing Activities	(8,549)	(6,110)	(8,400)
Net increase/(decrease) in cash and cash equivalents	37,514	38,618	(13,067)
Cash and cash equivalents at the beginning of the year	8 25,199	25,199	38,266
Cash and cash equivalents at the end of the year	8 62,713	63,817	25,199

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.

Darfield Primary School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Darfield 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 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.

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.

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.

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

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.

j) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

Property, plant and equipment 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	40-50
Furniture and equipment	10
Information and communication technology	5
Motor Vehicles	5
Plant	10
Leased assets	Term of lease
Library resources	10

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 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.

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) Funds Held in Trust

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

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

r) Capital Works

Capital works are funded as agreed with the Ministry of Education and the schools capital works plan. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) Financial Instruments

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

Investments that are shares are categorised as "financial assets 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 contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

t) 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.

u) Budget Figures

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

v) Classification of Comparatives

The classification of some comparative figures has been changed to ensure compliance with the Ministry of Education's model financial statements, which is now compulsory. These changes do not materially alter the financial statements.

w) Services received in-kind

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

x) Statement of cash flows

For the purpose of the cash flow statement, 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 following terms are used in the statement of cash flows:

Operating activities: the principle revenue producing activities of the School and other activities that are not investing or financing act

Investing activities: the acquisition and disposal of long term assets and other investments not included in cash and cash equivalents.

Financing activities: the activities that result in changes in the size and composition of the contributed equity and borrowings of the School.

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational grants	336,881	321,709	317,332
Teachers' salaries grants	1,111,066	1,100,000	1,010,395
Use of Land and Buildings grants	378,024	375,000	331,784
Other government grants	54,501	1,500	61,955
	<u>1,880,472</u>	<u>1,798,209</u>	<u>1,721,466</u>

The school is not in the donations scheme for this year

MOE Grants total includes additional COVID-19 funding totalling \$3754 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	33,374	22,400	28,821
Fundraising	699	-	477
Activities	16,351	-	36,114
Trading	5,199	1,000	6,215
	<u>55,623</u>	<u>23,400</u>	<u>71,627</u>
Expenses			
Activities	20,434	-	33,874
Trading	3,615	-	5,887
Fundraising (costs of raising funds)	891	-	519
	<u>24,940</u>	<u>-</u>	<u>40,280</u>
Surplus for the year Locally raised funds	<u>30,683</u>	<u>23,400</u>	<u>31,347</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	33,317	28,800	25,663
Employee Benefits - Salaries	1,224,319	1,179,975	1,132,442
Staff Development	4,793	11,000	10,374
	<u>1,262,429</u>	<u>1,219,775</u>	<u>1,168,479</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	4,524	5,180	4,392
Board of Trustees Fees	2,285	3,200	3,405
Board of Trustees Expenses	4,503	4,050	4,108
Communication	2,960	3,500	2,919
Consumables	2,671	3,100	3,173
Operating Lease	7,275	7,500	7,551
Staff Expenses	1,890	3,000	2,853
Other	5,228	6,010	5,682
Employee Benefits - Salaries	63,455	59,909	65,246
	<u>94,791</u>	<u>95,449</u>	<u>99,329</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	5,348	3,500	4,208
Cyclical Maintenance Provision	10,250	10,000	7,701
Grounds	1,185	3,000	2,232
Heat, Light and Water	13,408	15,000	14,816
Rates	4,691	4,700	4,135
Repairs and Maintenance	21,273	16,750	18,041
Use of Land and Buildings - Non-Integrated	378,024	375,000	331,784
Employee Benefits - Salaries	52,934	48,777	45,986
	487,113	476,727	428,903

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	10,217	2,000	10,217
Furniture and Equipment	6,441	3,000	4,125
Information and Communication Technology	8,422	7,200	12,108
Motor Vehicles	3,195	3,000	3,826
Plant	13,210	11,000	17,768
Leased Assets	7,802	6,000	7,672
Library Resources	1,282	800	1,338
	50,569	33,000	57,054

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	200	100	200
Bank Current Account	62,499	60,217	24,985
Bank Call Account	14	3,500	14
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	62,713	63,817	25,199

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 \$
Receivables from Ministry of Education	-	-	23,310
Interest Receivable	1,008	-	2,087
Teacher Salaries Grant Receivable	77,517	75,000	66,477
	78,525	75,000	91,874
Receivables from Exchange Transactions	1,008	-	2,087
Receivables from Non-Exchange Transactions	77,517	75,000	89,787
	78,525	75,000	91,874

10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	166,726	160,000	215,620

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Building Improvements - Crown	381,466	-	-	-	(10,217)	371,249
Furniture and Equipment	32,480	13,720	-	-	(6,441)	39,759
Information and Communication	33,861	10,058	-	-	(8,422)	35,497
Motor Vehicles	5,420	21,304	(5,420)	-	(3,195)	18,109
Plant	32,817	-	-	-	(13,210)	19,607
Leased Assets	12,999	8,494	-	-	(7,802)	13,691
Library Resources	4,760	-	-	-	(1,282)	3,478
Balance at 31 December 2020	503,803	53,576	(5,420)	-	(50,569)	501,390

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements - Crown	437,077	(65,828)	371,249
Furniture and Equipment	147,251	(107,492)	39,759
Information and Communication	114,242	(78,745)	35,497
Motor Vehicles	21,304	(3,195)	18,109
Plant	202,034	(182,427)	19,607
Leased Assets	21,475	(7,784)	13,691
Library Resources	47,606	(44,128)	3,478
Balance at 31 December 2020	990,989	(489,599)	501,390

The net carrying value of equipment held under a finance lease is \$13,691 (2019: \$12,999)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	443,242	-	(51,559)	-	(10,217)	381,466
Furniture and Equipment	36,605	-	-	-	(4,125)	32,480
Information and Communication	31,254	14,715	-	-	(12,108)	33,861
Motor Vehicles	9,246	-	-	-	(3,826)	5,420
Plant	50,585	-	-	-	(17,768)	32,817
Leased Assets	7,690	12,981	-	-	(7,672)	12,999
Library Resources	6,098	-	-	-	(1,338)	4,760
Balance at 31 December 2019	584,720	27,696	(51,559)	-	(57,054)	503,803

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Buildings	437,077	(55,611)	381,466
Furniture and Equipment	133,530	(101,050)	32,480
Information and Communication	159,055	(125,194)	33,861
Motor Vehicles	19,130	(13,710)	5,420
Plant	202,034	(169,217)	32,817
Leased Assets	22,679	(9,680)	12,999
Library Resources	47,606	(42,846)	4,760
Balance at 31 December 2019	1,021,111	(517,308)	503,803

12. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating Creditors	12,574	25,000	26,977
Employee Benefits Payable - Salaries	77,517	75,000	66,477
Employee Benefits Payable - Leave Accrual	3,514	3,000	2,302
	93,605	103,000	95,756
Payables for Exchange Transactions	93,605	103,000	95,756
	93,605	103,000	95,756

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	852	-	1,091
	852	-	1,091

14. Provision for Cyclical Maintenance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Provision at the Start of the Year	93,276	93,276	118,383
Increase to the Provision During the Year	10,250	10,000	7,701
Use of the Provision During the Year	(59,671)	(57,776)	(32,808)
Provision at the End of the Year	43,855	45,500	93,276
Cyclical Maintenance - Current	20,767	20,500	51,621
Cyclical Maintenance - Term	23,088	25,000	41,655
	43,855	45,500	93,276

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2020. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

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	7,199	4,500	6,110
Later than One Year and no Later than Five Years	7,054	2,760	7,260
Later than Five Years	-	-	-
	<u>14,253</u>	<u>7,260</u>	<u>13,370</u>

16. 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 in progress	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
SIP Building		-	27,222	(16,756)	10,466
Totals		<u>-</u>	<u>27,222</u>	<u>(16,756)</u>	<u>10,466</u>

17. Funds Held on Behalf of RTLit

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	26,052	26,052	21,241
Funds Received from MoE	15,678	15,678	15,401
Funds Spent on Behalf of the Cluster	(22,486)	(23,730)	(10,590)
Fund spent on Motor Vehicle	-	-	-
Funds Held at Year End	<u>19,244</u>	<u>18,000</u>	<u>26,052</u>

18. 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.

19. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
Board Members		
Remuneration	2,285	3,405
Full-time equivalent members	0.05	0.11

Leadership Team

Remuneration	239,357	207,460
Full-time equivalent members	2	2
Total key management personnel remuneration	241,642	210,865
Total full-time equivalent personnel	2.05	2.11

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	120-130
Benefits and Other Emoluments	1-5	1-5
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	1	-
	1	-

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

20. 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	\$0	\$0
Number of People	-	-

21. 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has no capital commitments.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into no operating contracts:

23. 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.

24. 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	62,713	63,817	25,199
Receivables	78,525	75,000	91,874
Investments - Term Deposits	166,726	160,000	215,620
Total Cash and Receivables	307,964	298,817	332,693

Financial liabilities measured at amortised cost

Payables	93,605	103,000	95,756
Finance Leases	14,253	7,260	13,370
Total Financial Liabilities Measured at Amortised Cost	107,858	110,260	109,126

25. Events After Balance Date

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



INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Darfield Primary School (the School). The Auditor-General has appointed me, Nicole Dring, 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 16, 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 9 September 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, but does not include the financial statements, and our auditor's report thereon.

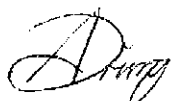
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Nicole Dring
Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand