



INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Elmgrove School (the School). The Auditor-General has appointed me, Mike Hawken, 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 3 to 18, 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 26 May 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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



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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Deloitte.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages accompanying 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.



Mike Hawken
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand



ElmGrove
SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:

3778

Principal:

Chris McKinlay

School Address:

74 Argyle Street, Mosgiel, Dunedin 9024

School Phone:

03 489 6252

School Email:

office@elmgrove.school.nz

Solutions &
Services
Collaborative School Administration

ELMGROVE SCHOOL

Annual Report - For the year ended 31 December 2020

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Elmgrove 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.

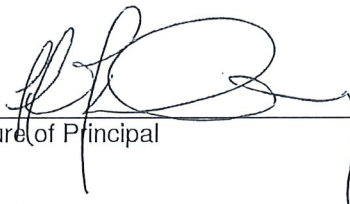
The School's 2020 financial statements are authorised for issue by the Board.

Nikola Webster
Full Name of Board Chairperson


Signature of Board Chairperson

Date: 26 May 2021.

Christopher John McKinlay.
Full Name of Principal


Signature of Principal

Date: 26 May 2021.

Elmgrove School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Nikola Webster	Chairperson	Elected Member	Jun 2022
Chris McKinlay	Principal	ex Officio	
David Christensen	Parent Rep	Elected Member	Jun 2022
Jared Campbell	Parent Rep	Elected Member	Jun 2022
Gemma Jenkins	Parent Rep	Elected Member	Jun 2022
Steve Robertson	Parent Rep	Elected Member	Jun 2022
Amy Clark	Staff Rep	Elected Member	Jun 2022

Elmgrove School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	2,550,882	1,862,195	2,280,600
Locally Raised Funds	3	335,934	350,300	322,263
Interest Income		4,866	4,000	6,987
		<u>2,891,682</u>	<u>2,216,495</u>	<u>2,609,850</u>
Expenses				
Locally Raised Funds	3	228,763	180,350	220,738
Learning Resources	4	1,824,887	1,282,300	1,654,788
Administration	5	112,878	114,632	94,022
Finance		2,494	-	2,341
Property	6	558,168	668,308	542,316
Depreciation	7	55,916	45,000	59,047
Loss on Disposal of Property, Plant and Equipment		381	-	-
		<u>2,783,487</u>	<u>2,290,590</u>	<u>2,573,252</u>
Net Surplus / (Deficit) for the year		108,195	(74,095)	36,598
Total Comprehensive Revenue and Expense for the Year		<u><u>108,195</u></u>	<u><u>(74,095)</u></u>	<u><u>36,598</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.

Elmgrove School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		827,875	827,875	734,730
Total comprehensive revenue and expense for the year		108,195	(74,095)	36,598
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	3,679
Contribution -Property Project		-	-	52,868
Equity at 31 December	24	937,945	753,780	827,875
Retained Earnings		937,945	753,780	827,875
Equity at 31 December		937,945	753,780	827,875

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.

Elmgrove 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	313,285	182,519	211,614
Accounts Receivable	9	122,092	104,790	104,790
GST Receivable		11,289	9,104	9,104
Prepayments		20,446	19,781	19,781
Inventories	10	8,769	8,526	8,526
Investments	11	185,715	224,725	224,725
		<u>661,596</u>	<u>549,445</u>	<u>578,540</u>
Current Liabilities				
Accounts Payable	13	163,857	122,761	122,761
Revenue Received in Advance	14	15,057	13,292	13,292
Provision for Cyclical Maintenance	15	-	34,200	34,200
Finance Lease Liability - Current Portion	16	11,308	10,865	10,865
Funds held for Capital Works Projects	17	64,896	2,424	2,424
Funds Held on Behalf of the SMMC Cluster	18	973	-	-
		<u>256,091</u>	<u>183,542</u>	<u>183,542</u>
Working Capital Surplus/(Deficit)		405,505	365,903	394,998
Non-current Assets				
Property, Plant and Equipment	12	625,560	448,636	493,636
		<u>625,560</u>	<u>448,636</u>	<u>493,636</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	78,800	42,200	42,200
Finance Lease Liability	16	14,320	18,559	18,559
		<u>93,120</u>	<u>60,759</u>	<u>60,759</u>
Net Assets		<u><u>937,945</u></u>	<u><u>753,780</u></u>	<u><u>827,875</u></u>
Equity	24	<u><u>937,945</u></u>	<u><u>753,780</u></u>	<u><u>827,875</u></u>

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

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

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash flows from Operating Activities				
Government Grants		620,665	505,782	508,509
Locally Raised Funds		337,049	350,300	326,193
Goods and Services Tax (net)		(2,185)	-	(214)
Payments to Employees		(308,474)	(271,737)	(303,174)
Payments to Suppliers		(453,693)	(617,440)	(426,067)
Funds Administered on Behalf of Third Parties		973	-	-
Cyclical Maintenance payments in the Year		(12,000)	-	-
Interest Received		5,416	4,000	7,487
Net cash from/(to) Operating Activities		187,751	(29,095)	112,734
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(180,129)	-	(38,022)
Purchase of Investments		39,010	-	(7,260)
Net cash from/(to) Investing Activities		(141,119)	-	(45,282)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,875	-	3,679
Contribution		-	-	52,868
Finance Lease Payments		(9,308)	-	(15,401)
Funds held for Capital Works Projects		62,472	-	(41,187)
Net cash from/(to) Financing Activities		55,039	-	(41)
Net increase/(decrease) in cash and cash equivalents		101,671	(29,095)	67,411
Cash and cash equivalents at the beginning of the year	8	211,614	211,614	144,203
Cash and cash equivalents at the end of the year	8	313,285	182,519	211,614

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.

Elmgrove School

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

1. Statement of Accounting Policies

1.1. Reporting Entity

Elmgrove 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.

1.2. 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.

Useful lives of property, plant and equipment

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

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 15.

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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.9. 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.

1.10. 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.

1.11. 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	10–40 years
Furniture and equipment	2-20 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. Employment Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

1.15. Revenue Received in Advance

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

1.16. 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).

1.17. Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, 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.

1.18. Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

1.19. 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.

1.20. Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

1.21. 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	536,107	438,647	417,224
Teachers' Salaries Grants	1,525,828	1,000,000	1,397,602
Use of Land and Buildings Grants	401,450	358,548	388,852
Other MoE Grants	83,022	64,000	75,062
Other Government Grants	4,475	1,000	1,860
	<u>2,550,882</u>	<u>1,862,195</u>	<u>2,280,600</u>

The School has opted in to the donations scheme for this year. Total amount received was \$44,700.

Other MOE Grants total includes additional COVID-19 funding totalling \$5,533 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	20,393	66,800	32,630
Fundraising	2,642	-	1,042
Bequests & Grants	98,922	83,500	28,230
Other Revenue	152,405	200,000	178,253
Trading	38,664	-	41,682
Activities	22,908	-	40,426
	<u>335,934</u>	<u>350,300</u>	<u>322,263</u>
Expenses			
Activities	63,103	43,000	50,534
Trading	34,740	-	37,591
Fundraising (Costs of Raising Funds)	2,668	-	2,007
Other Locally Raised Funds Expenditure	128,252	137,350	130,606
	<u>228,763</u>	<u>180,350</u>	<u>220,738</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>107,171</u>	<u>169,950</u>	<u>101,525</u>

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	67,423	78,100	55,360
Equipment Repairs	1,688	-	-
Library Resources	129	1,000	745
Employee Benefits - Salaries	1,739,508	1,176,200	1,582,957
Staff Development	16,139	27,000	15,726
	<u>1,824,887</u>	<u>1,282,300</u>	<u>1,654,788</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	3,450	3,350	3,350
Board of Trustees Fees	3,240	3,500	3,515
Board of Trustees Expenses	2,335	3,000	4,958
Communication	2,377	2,250	2,594
Consumables	8,813	6,100	6,612
Operating Lease	4,259	16,000	2,831
Other	535	560	517
Employee Benefits - Salaries	79,788	74,402	61,143
Insurance	5,611	3,000	6,082
Service Providers, Contractors and Consultancy	2,470	2,470	2,420
	<u>112,878</u>	<u>114,632</u>	<u>94,022</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	3,409	3,100	2,929
Consultancy and Contract Services	50,795	39,000	43,530
Cyclical Maintenance Provision	14,400	12,000	14,400
Grounds	6,875	7,600	12,846
Heat, Light and Water	23,008	21,000	20,414
Rates	12,345	12,000	12,052
Repairs and Maintenance	20,624	196,000	27,539
Use of Land and Buildings	401,450	358,548	388,852
Security	53	60	53
Employee Benefits - Salaries	25,209	19,000	19,701
	<u>558,168</u>	<u>668,308</u>	<u>542,316</u>

The Use of Land and Buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation of Property, Plant and Equipment

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements	19,411	15,210	19,224
Furniture and Equipment	12,993	10,300	15,193
Information and Communication Technology	10,275	8,550	11,200
Leased Assets	12,443	10,250	12,522
Library Resources	794	690	908
	<u>55,916</u>	<u>45,000</u>	<u>59,047</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	25	-	170
Bank Current Account	85,034	182,519	18,140
Bank Call Account	184,004	-	193,304
Short-term Bank Deposits	44,222	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>313,285</u>	<u>182,519</u>	<u>211,614</u>

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

Of the \$313,285 Cash and Cash Equivalents, \$64,896 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$313,285 Cash and Cash Equivalents, \$973 is held by the School on behalf of the SMMC cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	7,985	7,335	7,335
Interest Receivable	149	699	699
Banking Staffing Underuse	7,935	2,135	2,135
Teacher Salaries Grant Receivable	106,023	94,621	94,621
	<u>122,092</u>	<u>104,790</u>	<u>104,790</u>
Receivables from Exchange Transactions	8,134	8,034	8,034
Receivables from Non-Exchange Transactions	113,958	96,756	96,756
	<u>122,092</u>	<u>104,790</u>	<u>104,790</u>

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	447	660	660
School Uniforms	8,322	7,866	7,866
	<u>8,769</u>	<u>8,526</u>	<u>8,526</u>

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	185,715	224,725	224,725
	<u>185,715</u>	<u>224,725</u>	<u>224,725</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Building Improvements	352,430	164,852	-	-	(19,411)	497,871
Furniture and Equipment	64,150	9,856	(628)	-	(12,993)	60,385
Information and Communication Technology	32,034	15,269	-	-	(10,275)	37,028
Leased Assets	29,051	8,092	-	-	(12,443)	24,700
Library Resources	6,355	220	(205)	-	(794)	5,576
Work in Progress	9,616	-	(9,616)	-	-	-
Balance at 31 December 2020	<u>493,636</u>	<u>198,289</u>	<u>(10,449)</u>	<u>-</u>	<u>(55,916)</u>	<u>625,560</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Building Improvements	856,393	(358,522)	497,871
Furniture and Equipment	293,353	(232,968)	60,385
Information and Communication Technology	206,551	(169,523)	37,028
Leased Assets	41,338	(16,638)	24,700
Library Resources	72,222	(66,646)	5,576
Balance at 31 December 2020	<u>1,469,857</u>	<u>(844,297)</u>	<u>625,560</u>

The net carrying value of equipment held under a finance lease is \$24,700 (2019: \$29,051)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	371,654	-	-	-	(19,224)	352,430
Furniture and Equipment	70,382	8,961	-	-	(15,193)	64,150
Information and Communication Technology	24,266	18,968	-	-	(11,200)	32,034
Leased Assets	27,877	13,696	-	-	(12,522)	29,051
Library Resources	6,786	477	-	-	(908)	6,355
Work in Progress	-	9,616	-	-	-	9,616
Balance at 31 December 2019	<u>500,965</u>	<u>51,718</u>	<u>-</u>	<u>-</u>	<u>(59,047)</u>	<u>493,636</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Building Improvements	691,540	(339,110)	352,430
Furniture and Equipment	288,672	(224,522)	64,150
Information and Communication Technology	191,282	(159,248)	32,034
Leased Assets	45,195	(16,144)	29,051
Library Resources	74,635	(68,280)	6,355
Work in Progress	9,616	-	9,616
Balance at 31 December 2019	<u>1,300,940</u>	<u>(807,304)</u>	<u>493,636</u>

13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating creditors	25,429	18,658	18,658
Accruals	3,450	3,852	3,852
TAPESA Overuse	5,187	-	-
Employee Entitlements - salaries	121,820	94,621	94,621
Employee Entitlements - leave accrual	7,971	5,630	5,630
	<u>163,857</u>	<u>122,761</u>	<u>122,761</u>
Payables for Exchange Transactions	158,670	122,761	122,761
	<u>163,857</u>	<u>122,761</u>	<u>122,761</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	15,057	13,292	13,292
	<u>15,057</u>	<u>13,292</u>	<u>13,292</u>

15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	76,400	76,400	62,000
Increase/ (decrease) to the Provision During the Year	14,400	-	14,400
Use of the Provision During the Year	(12,000)	-	-
Provision at the End of the Year	<u>78,800</u>	<u>76,400</u>	<u>76,400</u>
Cyclical Maintenance - Current	-	34,200	34,200
Cyclical Maintenance - Term	78,800	42,200	42,200
	<u>78,800</u>	<u>76,400</u>	<u>76,400</u>

16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	13,198	13,043	13,043
Later than One Year and no Later than Five Years	15,255	20,396	20,396
	<u>28,453</u>	<u>33,439</u>	<u>33,439</u>

17. Funds Held for Capital Works

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
		\$	\$	\$	\$	\$
Drains	Completed	2,424	-	-	-	2,424
MOE LSC Room Upgrade	In Progress	-	54,446	(1,171)	-	53,275
MOE SIPS -Front of School	In Progress	-	93,914	(84,717)	-	9,197
Totals		2,424	148,360	(85,888)	-	64,896

Represented by:

Funds Held on Behalf of the Ministry of Education	64,896
	<u>64,896</u>

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Block 1 & 2 ILE Redevelopment	Completed	39,868	13,985	-	(53,853)	-
Drains	In Progress	3,743	-	(1,319)	-	2,424
Totals		43,611	13,985	(1,319)	(53,853)	2,424

18. Funds Held on Behalf of the SMMC Cluster

Elmgrove School was the lead school and holds funds on behalf of the SMMC cluster. The Saturday Morning Music Classes (SMMC) cluster organises and administers small group music teaching in Otago.

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	1,000	-	-
Funds Received from MoE	64,918	-	-
Funds Spent on Behalf of the Cluster	(64,945)	-	-
Funds Held at Year End	973	-	-

19. 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.

20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,240	3,515
Full-time equivalent members	0.11	0.16
<i>Leadership Team</i>		
Remuneration	445,246	421,207
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	448,486	424,722
Total full-time equivalent personnel	4.11	4.16

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	150 - 160	140 - 150
Benefits and Other Emoluments	0 - 10	0 - 10
Termination Benefits	0 - 0	0 - 0

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	-	-
	-	-

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

21. Compensation and Other Benefits Upon Leaving

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

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

22. 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.

23. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) \$42,000 contract for Drainage which was fully funded by the Ministry of Education. This project was completed in 2019 with final project documentation filed. Some minor work is still to be carried out by an external contractor so the Project has a remaining balance of \$2,424; and

(b) \$60,000 contract to upgrade the LSC Room. This project is fully funded by the Ministry and \$54,446 has been received of which \$1,171 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$104,000 contract for Landscaping and Signage. The project is fully funded by the Ministry and \$93,914 has been received of which \$84,717 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: nil)

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	313,285	182,519	211,614
Receivables	122,092	104,790	104,790
Investments - Term Deposits	185,715	224,725	224,725
Total Financial assets measured at amortised cost	<u>621,092</u>	<u>512,034</u>	<u>541,129</u>

Financial liabilities measured at amortised cost

Payables	163,857	122,761	122,761
Finance Leases	25,628	29,424	29,424
Total Financial liabilities measured at amortised Cost	<u>189,485</u>	<u>152,185</u>	<u>152,185</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.