

# STRATFORD PRIMARY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

<b>Ministry Number:</b>	2244
<b>Principal:</b>	Jason Elder
<b>School Address:</b>	Regan Street, STRATFORD
<b>School Postal Address:</b>	Regan Street, STRATFORD , 4332
<b>School Phone:</b>	06 765 6938
<b>School Email:</b>	office@sps.kiwi.nz

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Brendon Gernhoefer	Chairperson	Elected	No Longer BOT	Jun 2019
Kath Weir	Chairperson	Elected	Parliamentary Member Support, Harete Hipango. MP for Whanganui	Jun 2022
Jason Elder	Principal	ex Officio		
Ian Patterson	Parent Rep	Elected	No Longer BOT	Jun 2019
Hayley Loveridge	Parent Rep	Elected	Business owner - Café	Jun 2022
Sintina Petrie	Parent Rep	Elected	Barista	Jun 2022
Jack Whitikia	Parent Rep	Elected	Business owner - Coatings Company	Jun 2022
Deborah Campbell	Staff Rep	Elected		Jun 2022

**Accountant / Service Provider:** Education Services Ltd

# STRATFORD PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

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# Stratford Primary School

## Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Kathryn Weir

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

25 May 2020

Date:

Jason Elder

Full Name of Principal

[Signature]

Signature of Principal

25 May 2020

Date:

# Stratford Primary School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	3,319,877	2,840,586	3,083,249
Locally Raised Funds	3	158,127	176,537	135,231
Interest income		19,778	18,000	21,156
Gain on Sale of Property, Plant and Equipment		1,096	-	375
		<u>3,498,878</u>	<u>3,035,123</u>	<u>3,240,011</u>
<b>Expenses</b>				
Locally Raised Funds	3	94,150	94,010	78,137
Learning Resources	4	2,460,442	2,043,267	2,290,348
Administration	5	190,365	164,999	172,709
Finance		2,275	796	1,775
Property	6	724,229	612,050	661,338
Depreciation	7	120,049	118,716	127,493
Loss on Disposal of Property, Plant and Equipment		642	-	255
		<u>3,592,152</u>	<u>3,033,838</u>	<u>3,332,055</u>
<b>Net Surplus / (Deficit) for the year</b>		(93,274)	1,285	(92,044)
Other Comprehensive Revenue and Expenses		5,324	-	4,808
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(87,950)</u>	<u>1,285</u>	<u>(87,236)</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.



# Stratford Primary School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		673,104	714,793	753,662
Total comprehensive revenue and expense for the year		(87,950)	1,285	(87,236)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	6,678
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	26	585,154	716,078	673,104
Retained Earnings		585,154	716,078	673,104
<b>Equity at 31 December</b>		585,154	716,078	673,104

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.

**Stratford Primary School**  
**Statement of Financial Position**  
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	32,294	21,220	(11,371)
Accounts Receivable	9	147,993	122,882	138,224
GST Receivable		-	11,690	5,532
Prepayments		7,624	9,635	6,561
Inventories	10	685	890	972
Investments	11	480,941	422,292	538,341
		<u>669,537</u>	<u>588,609</u>	<u>678,259</u>
<b>Current Liabilities</b>				
GST Payable		2,273	-	-
Accounts Payable	13	189,486	165,884	177,174
Revenue Received in Advance	14	14,568	3,191	27,349
Provision for Cyclical Maintenance	15	49,585	77,984	35,467
Painting Contract Liability - Current Portion	16	37,768	-	46,006
Finance Lease Liability - Current Portion	17	18,102	16,846	18,535
Funds held for Capital Works Projects	18	56,499	-	-
Funds held on behalf of Curious Mind Project (CAPOW) Cluster	20	-	1,776	1,775
		<u>368,281</u>	<u>265,681</u>	<u>306,306</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>301,256</u>	<u>322,928</u>	<u>371,953</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	442,535	382,528	467,199
Shares in Group Mowing Scheme		20,753	10,622	15,430
		<u>463,288</u>	<u>393,150</u>	<u>482,629</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	58,171	-	53,467
Painting Contract Liability	16	99,386	-	109,800
Finance Lease Liability	17	21,833	-	18,211
		<u>179,390</u>	<u>-</u>	<u>181,478</u>
<b>Net Assets</b>		<u>585,154</u>	<u>716,078</u>	<u>673,104</u>
<b>Equity</b>		<u>585,154</u>	<u>716,078</u>	<u>673,104</u>

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

**Stratford Primary School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		803,050	766,602	783,413
Locally Raised Funds		141,824	176,537	113,074
Goods and Services Tax (net)		7,805	-	6,158
Payments to Employees		(449,588)	(397,445)	(461,142)
Payments to Suppliers		(439,153)	(405,398)	(390,763)
Cyclical Maintenance Payments in the year		(11,996)	(38,000)	-
Interest Paid		(2,275)	(796)	(1,775)
Interest Received		14,009	18,000	25,502
Net cash from Operating Activities		63,676	119,500	74,467
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		1,096	-	-
Purchase of PPE (and Intangibles)		(76,520)	(103,500)	(137,065)
Purchase of Investments		(3,146)	-	-
Proceeds from Sale of Investments		60,547	-	83,951
Net cash from Investing Activities		(18,023)	(103,500)	(53,114)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	7,000	6,678
Finance Lease Payments		(15,806)	(16,459)	(12,932)
Painting contract payments		(44,950)	(28,768)	(37,768)
Funds Administered on Behalf of Third Parties		(1,929)	-	2,924
Funds Held for Capital Works Projects		60,697	-	(35,073)
Net cash from Financing Activities		(1,988)	(38,227)	(76,171)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>43,665</b>	<b>(22,227)</b>	<b>(54,818)</b>
Cash and cash equivalents at the beginning of the year	8	(11,371)	43,447	43,447
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>32,294</b>	<b>21,220</b>	<b>(11,371)</b>

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

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

# **Stratford Primary School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2019**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

Stratford Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

###### ***Standard early adopted***

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 30.

###### ***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 Provision*

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 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.

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

#### **Other Grants**

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



### **Donations, Gifts and Bequests**

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

### **Interest Revenue**

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

### **d) Use of Land and Buildings Expense**

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

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

### **g) Cash and Cash Equivalents**

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

### **h) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

### **Prior Year Policy**

*Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.*

### **i) Inventories**

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



## j) Investments

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

### **Prior Year Policy**

*Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.*

*Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.*

*After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.*

## 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:

Building Improvements	15-40 years
Furniture and Equipment	15 years
Motor Vehicles	5 years
Library Resources	8 years
Leased assets are depreciated over the life of the lease.	



## **l) Intangible Assets**

### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

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

### *Non cash generating assets*

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

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

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

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

## **n) Accounts Payable**

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

#### **o) Employee Entitlements**

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

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

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

##### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

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

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **q) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) Provision for Cyclical Maintenance**

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

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

#### **t) Financial Assets and Liabilities**

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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



**u) Borrowings**

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

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

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

**v) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	644,639	648,552	620,782
Teachers' Salaries Grants	2,024,564	1,646,540	1,854,158
Use of Land and Buildings Grants	488,442	422,010	444,660
Resource Teachers Learning and Behaviour Grants	2,723	4,500	2,078
Other MoE Grants	157,799	118,984	158,075
Other Government Grants	1,710	-	3,496
	<u>3,319,877</u>	<u>2,840,586</u>	<u>3,083,249</u>

## 3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	26,908	18,000	9,205
Bequests & Grants	53,794	91,900	55,238
Activities	73,707	65,287	66,260
Trading	598	1,000	363
Fundraising	304	350	-
Other Revenue	2,816	-	4,165
	<u>158,127</u>	<u>176,537</u>	<u>135,231</u>
<b>Expenses</b>			
Activities	93,403	93,510	75,439
Trading	747	500	2,698
	<u>94,150</u>	<u>94,010</u>	<u>78,137</u>
<i>Surplus for the year Locally raised funds</i>	<u>63,977</u>	<u>82,527</u>	<u>57,094</u>

## 4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	70,610	73,587	73,264
Employee Benefits - Salaries	2,366,210	1,935,070	2,192,046
Staff Development	11,084	18,887	12,414
Text Books	-	2,000	-
Learning Centre	942	1,200	1,063
Rt Lit	11,596	12,523	11,561
	<u>2,460,442</u>	<u>2,043,267</u>	<u>2,290,348</u>

## 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,520	4,378	4,170
Board of Trustees Fees	3,390	3,400	3,055
Board of Trustees Expenses	8,416	8,100	3,067
Communication	9,787	9,836	10,793
Consumables	20,985	19,460	21,681
Operating Lease	-	-	970
Other	42,019	29,775	26,194
Employee Benefits - Salaries	77,023	68,855	77,078
Insurance	7,737	6,495	7,701
Service Providers, Contractors and Consultancy	16,488	14,700	18,000
	<u>190,365</u>	<u>164,999</u>	<u>172,709</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	59,236	51,800	52,832
Cyclical Maintenance Expense	30,818	30,000	30,158
Grounds	16,699	15,800	13,121
Heat, Light and Water	35,091	27,200	30,139
Rates	1,473	980	1,365
Repairs and Maintenance	53,611	22,200	44,349
Use of Land and Buildings	488,442	422,010	444,660
Security	8,413	2,000	6,075
Employee Benefits - Salaries	30,446	40,060	38,639
	<u>724,229</u>	<u>612,050</u>	<u>661,338</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	22,732	21,395	22,977
Furniture and Equipment	56,644	47,599	51,117
Information and Communication Technology	8,374	25,534	27,422
Motor Vehicles	7,304	3,241	3,481
Leased Assets	21,158	17,204	18,476
Library Resources	3,837	3,743	4,020
	<u>120,049</u>	<u>118,716</u>	<u>127,493</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	140	-	140
Bank Current Account	595	21,220	(30,984)
Bank Call Account	31,559	-	19,473
Cash equivalents for Cash Flow Statement	32,294	21,220	(11,371)

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

Of the \$32,294 Cash and Cash Equivalents, \$72,741 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	1,710	3,995	-
Banking Staffing Underuse	-	6,581	5,415
Interest Receivable	5,769	4,346	-
Teacher Salaries Grant Receivable	140,514	107,960	132,809
	147,993	122,882	138,224
Receivables from Exchange Transactions	7,479	8,341	-
Receivables from Non-Exchange Transactions	140,514	114,541	138,224
	147,993	122,882	138,224

## 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Sports Shirts	610	890	972
Stationery	75	-	-
	685	890	972

## 11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	480,941	422,292	538,341
Total Investments	480,941	422,292	538,341



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	162,969	5,100	-	-	(22,732)	145,337
Furniture and Equipment	204,592	59,065	(642)	-	(56,644)	206,371
Information and Communication Tech	19,834	4,219	-	-	(8,374)	15,679
Motor Vehicles	31,594	-	-	-	(7,304)	24,290
Leased Assets	35,161	24,359	-	-	(21,158)	38,363
Library Resources	13,049	3,283	-	-	(3,837)	12,495
<b>Balance at 31 December 2019</b>	<b>467,199</b>	<b>96,026</b>	<b>(642)</b>	<b>-</b>	<b>(120,049)</b>	<b>442,535</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	565,037	(419,700)	145,337
Furniture and Equipment	707,966	(501,595)	206,371
Information and Communication	221,945	(206,266)	15,679
Motor Vehicles	36,521	(12,231)	24,290
Leased Assets	79,619	(41,256)	38,363
Library Resources	85,650	(73,155)	12,495
<b>Balance at 31 December 2019</b>	<b>1,696,738</b>	<b>(1,254,203)</b>	<b>442,535</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building Improvements	174,996	10,950	-	-	(22,977)	162,969
Furniture and Equipment	175,300	80,664	(255)	-	(51,117)	204,592
Information and Communication Tech	45,293	1,963	-	-	(27,422)	19,834
Motor Vehicles	3,788	31,287	-	-	(3,481)	31,594
Leased Assets	46,478	7,829	(671)	-	(18,476)	35,160
Library Resources	13,605	3,465	-	-	(4,020)	13,050
<b>Balance at 31 December 2018</b>	<b>459,460</b>	<b>136,158</b>	<b>(926)</b>	<b>-</b>	<b>(127,493)</b>	<b>467,199</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Building Improvements	559,937	(396,968)	162,969
Furniture and Equipment	728,071	(523,479)	204,592
Information and Communication	217,726	(197,892)	19,834
Motor Vehicles	36,521	(4,927)	31,594
Leased Assets	72,326	(37,166)	35,160
Library Resources	82,367	(69,317)	13,050
<b>Balance at 31 December 2018</b>	<b>1,696,948</b>	<b>(1,229,749)</b>	<b>467,199</b>



### 13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	39,323	45,307	26,123
Accruals	3,782	4,170	3,532
Capital Accruals for PPE items	7	-	8,381
Employee Entitlements - Salaries	140,514	107,960	132,809
Employee Entitlements - Leave Accrual	5,860	8,447	6,329
	<u>189,486</u>	<u>165,884</u>	<u>177,174</u>
Payables for Exchange Transactions	189,486	165,884	177,174
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>189,486</u>	<u>165,884</u>	<u>177,174</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Income In Advance	9,712	-	22,328
Other Income In Advance	4,856	3,191	5,021
	<u>14,568</u>	<u>3,191</u>	<u>27,349</u>

### 15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	88,934	47,984	223,361
Increase to the Provision During the Year	30,818	30,000	67,926
Use of the Provision During the Year	(11,996)	-	(202,353)
Provision at the End of the Year	<u>107,756</u>	<u>77,984</u>	<u>88,934</u>
Cyclical Maintenance - Current	49,585	77,984	35,467
Cyclical Maintenance - Term	58,171	-	53,467
	<u>107,756</u>	<u>77,984</u>	<u>88,934</u>

### 16. Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	37,768	-	46,006
Non Current Liability	99,386	-	109,800
	<u>137,154</u>	<u>-</u>	<u>155,806</u>

In 2018 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a 6 year period. The programme provides for exterior painting of the Ministry owned buildings in 2018, with regular maintenance in subsequent years. The agreement has an annual commitment of \$37,735. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

## 17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	18,683	16,846	18,535
Later than One Year and no Later than Five Years	22,640	-	18,211
	<u>41,323</u>	<u>16,846</u>	<u>36,746</u>

## 18. Funds Held (Owed) for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block B Glass Sliding Doors	<i>in progress</i>	-	-	16,242	-	(16,242)
Sewerage & Drainage Repairs	<i>in progress</i>	-	17,000	2,400	-	14,600
Block A/B/C ILE Upgrade	<i>in progress</i>	-	59,391	1,250	-	58,141
Totals		<u>-</u>	<u>76,391</u>	<u>19,892</u>	<u>-</u>	<u>56,499</u>

### Represented by:

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

72,741  
(16,242)

56,499

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
New Carpets Rooms 11,17,18,19,20	<i>completed</i>	(1,950)	1,950	-	-	-
Block F Windows Replacement	<i>completed</i>	37,023	5,539	42,562	-	-
Totals		<u>35,073</u>	<u>7,489</u>	<u>42,562</u>	<u>-</u>	<u>-</u>

## 19. Funds held on behalf of NITS Cluster

Stratford Primary School is the lead school and holds funds on behalf of the NITS cluster, a group of schools working with an outside provider who provided professional development for the Principal and Deputy Principals involved in the Cluster.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	702
Funds Received from Cluster Members	14,324	-	25,761
Funds Spent on Behalf of the Cluster	14,324	-	26,463
Funds Held at Year End	<u>-</u>	<u>-</u>	<u>-</u>

## 20. Funds held on behalf of Curious Mind Project (CAPOW) Cluster

Stratford Primary School is the lead school and holds funds on behalf of the Stratford Primary School cluster, a group of schools funded by the Ministry of Education to share ICT professional development.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	1,775	1,776	1,775
Funds Received from Cluster Members	-	-	-
Funds Spent on Behalf of the Cluster	1,775	-	-
Funds Held at Year End	-	1,776	1,775

## 21. 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.

BOT Member Hayley Loveridges husband owns inkpot cafe who provided catering to the School during the year totalling \$5,584.21 and in 2018 \$68.00.

Deb Campbell's (BOT Member) Mother owns Mountain Motors, expenses totalled \$936 for service and WOF during the year. Also in 2018 BOT Member Deb Campbell's Father provided window repairs to the School totalling \$322.

## 22. Remuneration

### Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,390	3,055
Full-time equivalent members	0.14	0.18
<i>Leadership Team</i>		
Remuneration	888,065	748,105
Full-time equivalent members	9.00	8.00
Total key management personnel remuneration	891,455	751,160
Total full-time equivalent personnel	9.14	8.18

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	3.00	1.00
	3.00	1.00

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

## 23. 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:

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

## 24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

## 25. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$76,578.50 contract for upgrade of blocks A,B,C which was approved 15th November. \$59,391 has been received at 31 December 2019 of which \$1,250 have been spent on the project to balance date. This project has been approved by the Ministry.

### (b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(b) The School has entered into an agreement with Programmed Maintenance Services Ltd for painting of the School's buildings. The amount committed on the contract is:

	2019 Actual \$	2018 Actual \$
No later than One Year	10,337	46,006
Later than One Year and No Later than Five Years	41,348	109,800
Later than Five Years	-	-
	<u>51,685</u>	<u>155,806</u>

## 26. 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.

## 27. 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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	32,294	21,220	(11,371)
Receivables	147,993	122,882	138,224
Investments - Term Deposits	480,941	422,292	538,341
Total Financial assets measured at amortised cost	<u>661,228</u>	<u>566,394</u>	<u>665,194</u>

### Financial liabilities measured at amortised cost

Payables	189,486	165,884	177,174
Borrowings - Loans	-	-	-
Finance Leases	39,935	16,846	36,746
Painting Contract Liability	137,154	-	155,806
Total Financial Liabilities Measured at Amortised Cost	<u>366,575</u>	<u>182,730</u>	<u>369,726</u>

## 28. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Any other impacts your school may face particular school: increased cleaning supplies

## 29. Comparatives

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

## 30. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

## 31. Credit Card Facility

The School operates a credit card facility with TSB Bank, the limit is \$6,000 and as at balance date \$5,390.02 was owing.

## 32. Bank Overdraft Facility

During 2019 there was a period where the sweep account was not working correctly which resulted in the cheque account being in overdraft, the bank was happy to wait for the term deposit to mature before breaking on the 25th March. As the sweep was in deficit, on maturity of the term deposit 70k was transferred to the sweep account.



**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF STRATFORD PRIMARY SCHOOL'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Stratford Primary School (the School). The Auditor-General has appointed me, Talia Anderson-Town using the staff and resources of Silks Audit Chartered Accountants Ltd, 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 22, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expenses, 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 2019; 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 Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 25 May 2020. This is the date at which our opinion is expressed.

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

**Emphasis of Matter – COVID-19**

Without modifying our opinion, we draw attention to the disclosures in note 28 on page 22 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

**Breach of borrowing authority**

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with clause 29 of the 6 schedule of the Education Act 1989 in that no authority has been sought from the Ministers of Education and Finance for borrowing which, in aggregate, involves repayments of interest and capital in excess of one tenth of the Board's operational activities grant for the year. The extent of the unauthorised borrowing is assessed at \$212,053.

**Basis for our opinion**

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

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

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



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

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

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

The Board of Trustees' responsibilities arise from the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Board of Trustee schedule included under the School Directory page and the Analysis of Variance and Kiwisport statement included as an appendices, 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 (Revised): *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.

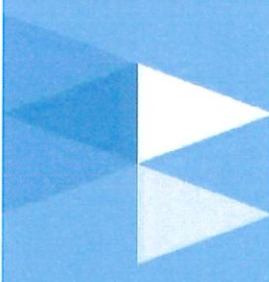


**Talia Anderson-Town**  
**Silks Audit Chartered Accountants Ltd**  
**On behalf of the Auditor-General**  
**Whanganui, New Zealand**



School Name: Stratford Primary School		School Number: 2244
<b>Strategic Aim:</b>	<p><u>Strategic Goals:</u></p> <ol style="list-style-type: none"> <li>1. BUILDING teachers capability so all students can achieve to their potential.</li> <li>2. PRIORITISING the first four years of a child's schooling so they can achieve success with the Stratford Primary School Standards.</li> <li>3. EMBEDDING learner agency and differentiation to empower students.</li> <li>4. CREATING a future focused curriculum so all learners become well rounded people.</li> </ol>	
<b>Annual Aim:</b>	<p><u>2019 Annual Outcomes:</u></p> <ol style="list-style-type: none"> <li>1. To develop 'Differentiation' as a teaching tool and 'Learner Agency' that empowers students as learners.</li> <li>2. To grow capability leadership to support the development of learner agency and differentiation.</li> </ol>	
<b>Target:</b>	<p><u>Stratford Primary School Standards Targets 2019:</u></p> <ol style="list-style-type: none"> <li>1. Māori students (Year 3-8) who were below standards in writing and mathematics (2018) will make accelerated progress (more than one years progress).</li> <li>2. Boys (Year 3-8) who were below standards in writing and mathematics (2018) will make accelerated progress (more than one years progress).</li> </ol>	
<b>Baseline Data:</b>	<p>At the end of 2018, Stratford Primary School Standard results showed in Writing that:</p> <ul style="list-style-type: none"> <li>• 21 (25.5%) Māori learners were 'Below' standards in writing compared with 39 (18%) New Zealand European learners in Year 2-7.</li> <li>• 42 (24.4%) Boys were also 'Below' standards in writing in Year 2-7.</li> </ul> <p>At the end of 2018, Stratford Primary School Standard results showed in Mathematics that:</p> <ul style="list-style-type: none"> <li>• 27 (33%) Māori learners were 'Below' standards in mathematics compared with 52 (24.1%) New Zealand European learners in Year 2-7.</li> <li>• 42 (24.4%) Boys were also 'Below' standards in mathematics in Year 2-7.</li> </ul>	





<b>Actions</b> <b>What did we do?</b>	<b>Outcomes</b> <b>What happened?</b>
<p>Teams used an internal tracking system to show progress for all students over the year.</p> <p>As part of this process, Teams in Year 3-8 focused on accelerating progress of students who were just below expectations in writing and mathematics. They compared the progress of Māori students, boys and girls as they reflected on student progress.</p> <p>Formative assessment was included in the tracking process, which highlighted why/why not students were making accelerated progress. Teachers adapted their teaching approach to meet the needs of learners. Learner Agency was at the forefront of their adaptations and differentiation of learning programmes.</p> <p>Overall progress was monitored by the Leadership Team, before being collated and shared with the Board of Trustees each term.</p> <p>Individual teachers showed evidence of their learning journey through the Spiral of Inquiry. This was illustrated through a Google Blog or Google site.</p> <p>Teams explored in depth the concept of Learner Agency, building on the work that had started the previous year.</p>	<p><b><u>Writing Yr 3-8:</u></b></p> <p>The number of students who made accelerated progress were... Māori: 11/26= 42%; Boys: 15/36= 42%; Girls: 10/16= 63%</p> <p>When comparing Year Group Cohorts, the number of students who made accelerated progress were... Yr 3-4: 15/28= 54%; Yr 5-6: 5/19= 26%; Yr 7-8: 16/31= 52%</p> <p>Overall Accelerated Progress in writing for the Yr 3-8 target groups was:</p> <p>36/78= 46%</p> <p><b><u>Mathematics Yr 3-8:</u></b></p> <p>The number of students who made accelerated progress were...Māori: 10/26= 38%; Boys: 16/31= 52%; Girls: 13/28= 46%</p> <p>When comparing Year Group Cohorts, the number of students who made accelerated progress were...Yr 3-4: 13/29= 45%; Yr 5-6: 7/23= 30%; Yr 7-8: 19/33= 58%</p> <p>Overall Accelerated Progress in mathematics for the Yr 3-8 target groups was:</p> <p>39/85 = 46%</p>



## Reasons for the variance: Why did it happen?

### Discussion points (Areas for improvement):

1. There is still some variation in how teams tracked student progress. Transitions from one team to another also highlighted some variation in moderation.
2. One group of students had 4 teachers over the year.
3. Māori achievement is 4% below the cohort for writing and 8% below for mathematics. Boys achievement is 4% below the cohort for writing and 6% above for mathematics. Year 5-6 students were 16% below the cohort in writing and 18% below the cohort in mathematics.
4. An analysis of students writing results who did not make accelerated progress showed that...
  - a. 11 students (39%) had less than 90% attendance rate (3 students were less than 80% attendance rate).
  - b. 15 (53%) of these students had had more than one school.
  - c. 4 students (14%) had experienced some form of trauma.
  - d. 12 students (42%) had issues happening outside of school.
  - e. 18 (64%) had received literacy interventions.
  - f. 8 (28%) had behaviour issues.
5. An analysis of students mathematics results who did not make accelerated progress showed that...
  - a. 20 students (55%) had less than 90% attendance rate (3 students were less than 80% attendance rate).
  - b. 12 (33%) of these students had had more than one school.
  - c. 14 students (39%) had experienced some form of trauma.
  - d. 21 students (58%) had issues happening outside of school.
  - e. 21 (58%) had received numeracy interventions.
  - f. 11 (31%) had behaviour issues.



## Discussion points (Areas that worked well):

1. The continued close monitoring of student progress from the Leadership Team, which is regularly shared with the Board.
2. Commitment of teachers, the Leadership Team and the Board to make a difference and accelerate student progress. This was evidence from teachers formative assessment notes on student progress and Board members discussions around this issue.
3. The success of interventions to raise student achievement in mathematics and literacy.
4. Continued refinement of the system to monitor and track student progress. Team Leaders are having greater input into analysing and reviewing the system for accelerating priority learners progress. This is raising teacher capability.
5. The accelerated progress of Year 7/8 students. In writing the Year 7-8 cohort was 6% above the cohort for writing and 12% above the cohort for mathematics. Girls were also 17% above the cohort for writing and at the cohort average for mathematics.

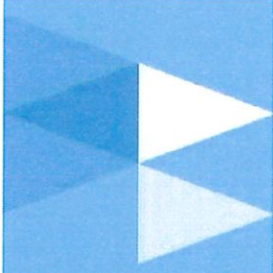
## **Evaluation Where to next?**

1. The collaborative process for accelerating students just below expectations continues to focus teams on raising student achievement in writing and mathematics. This is supported by the Individual Education Plan (I.E.P) process for students who are well below expectations in reading, writing and mathematics.
2. Next steps:
  - a. Assessment Process: The Tier System language will be replaced with Priority Learners (Just below expectations and students on IEPs). The Leadership Team will review the assessment system with the aim of showing individual student progress that includes the key competencies from the NZC over time.
  - b. Teacher practice: Rather than recording formative assessment notes on student progress, teachers will illustrate how they are changing their practice to accelerate Priority Learners.
  - c. Teams in Years 3-8 will continue to focus on priority learners. However, the Year 1-2 Teams will look to accelerate Priority Learners in Reading and Mathematics. The Year 2 and Year 8 Priority Learners progress will be reported to the Board.
  - d. Teams will track priority learners as part of the appraisal process. Teams will discuss accelerated progress at Team Meetings, where they will moderate this progress.



MINISTRY OF EDUCATION  
Te Kaitiaki Take Kōwhiri

## Tātaritanga raraunga







**STRATFORD PRIMARY SCHOOL**  
Regan Street, Stratford 4332  
P. 06 765 6938 E. [principal@sps.kiwi.nz](mailto:principal@sps.kiwi.nz)  
[www.sps.kiwi.nz](http://www.sps.kiwi.nz)



### **KIWISPORT FUNDING 2019:**

In 2019, Stratford Primary School used the Kiwisport funding and Board funding to employ a Sports Coordinator for 10+ hours per week.

This increased student participation in sport, both within school and in the wider community.

Here are some examples of what the Sports Coordinators role involved:

- Coordinating summer and winter sports by communicating with parents, collecting fees and registering teams into competitions.
- Supporting teachers to plan and run school sports events such as Athletics, Turnbull Cup Swimming, and Swimming Sports.
- Promoting new sports to students such as golf days and girls cricket.
- Applying for grants to support lunchtime sports gear for students to play with during breaktimes.
- Supporting students to participate in the Colgate games and Tough Guy Challenges.