

# MARAROA SCHOOL

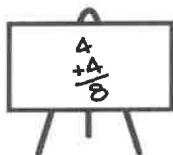
## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

<b>Ministry Number:</b>	3984
<b>Principal:</b>	Melodie Gage-Witham
<b>School Address:</b>	State Highway 94, Te Anau 9672
<b>School Postal Address:</b>	State Highway 94, Te Anau 9672
<b>School Phone:</b>	03 249 5816
<b>School Email:</b>	<a href="mailto:office@mararoa.school.nz">office@mararoa.school.nz</a>

#### Accountant / Service Provider:



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# MARAROA SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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# Mararoa School

## Statement of Responsibility

For the year ended 31 December 2023

The Board 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 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Luke Thomas  
Full Name of Presiding Member

Melodie Gage-Witham  
Full Name of Principal

Luke Thomas  
Signature of Presiding Member

Melodie Gage-Witham  
Signature of Principal

11/6/24  
Date:

11/06/24  
Date:

# Mararoa School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>				
Government Grants	2	765,555	705,000	711,916
Locally Raised Funds	3	61,619	40,700	73,151
Interest		10,475	1,300	3,139
<b>Total Revenue</b>		<b>837,649</b>	<b>747,000</b>	<b>788,206</b>
<b>Expense</b>				
Locally Raised Funds	3	13,659	20,500	13,294
Learning Resources	4	477,303	509,010	472,919
Administration	5	88,885	76,310	73,739
Interest		-	-	278
Property	6	177,463	136,900	155,452
<b>Total Expense</b>		<b>757,310</b>	<b>742,720</b>	<b>715,682</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>80,339</b>	<b>4,280</b>	<b>72,524</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>80,339</b>	<b>4,280</b>	<b>72,524</b>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

# Mararoa School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Equity at 1 January</b>		311,702	272,290	239,178
Total comprehensive revenue and expense for the year		80,339	4,280	72,524
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		8,172	-	-
<b>Equity at 31 December</b>		400,213	276,570	311,702
Accumulated comprehensive revenue and expense		400,213	276,570	311,702
Reserves		-	-	-
<b>Equity at 31 December</b>		400,213	276,570	311,702

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.

# Mararoa School

## Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	294,537	173,970	332,550
Accounts Receivable	8	37,207	35,000	32,950
Prepayments		2,445	1,500	2,579
Inventories	9	1,545	-	1,785
Biological Assets	10	18,280	-	21,486
GST Receivable		2,784	-	-
Investments		56,552	52,300	54,277
Funds Receivable for Capital Works Projects	17	34,294	-	-
		<u>447,644</u>	<u>262,770</u>	<u>445,627</u>
<b>Current Liabilities</b>				
GST Payable		-	3,000	5,182
Accounts Payable	13	61,240	45,000	68,745
Revenue Received in Advance	14	6,000	-	-
Provision for Cyclical Maintenance	15	26,786	-	66,710
Finance Lease Liability	16	2,508	2,200	1,603
Funds held for Capital Works Projects	17	24,515	-	41,795
		<u>121,049</u>	<u>50,200</u>	<u>184,035</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>326,595</b>	<b>212,570</b>	<b>261,592</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	91,328	78,000	77,081
		<u>91,328</u>	<u>78,000</u>	<u>77,081</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	12,567	13,900	25,759
Finance Lease Liability	16	5,143	100	1,212
		<u>17,710</u>	<u>14,000</u>	<u>26,971</u>
<b>Net Assets</b>		<u><u>400,213</u></u>	<u><u>276,570</u></u>	<u><u>311,702</u></u>
<b>Equity</b>		<u><u>400,213</u></u>	<u><u>276,570</u></u>	<u><u>311,702</u></u>

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

# Mararoa School

## Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		222,258	200,000	203,364
Locally Raised Funds		67,767	40,700	72,336
Goods and Services Tax (net)		(7,966)	-	(3,491)
Payments to Employees		(105,588)	(121,000)	(112,305)
Payments to Suppliers		(163,046)	(172,930)	(71,568)
Interest Paid		-	-	(278)
Interest Received		10,475	1,300	3,139
Net cash from/(to) Operating Activities		23,900	(51,930)	91,197
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(9,352)	(10,000)	(1,494)
Purchase of Investments		(2,275)	-	(1,383)
Net cash from/(to) Investing Activities		(11,627)	(10,000)	(2,877)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		2,595	-	
Finance Lease Payments		(1,298)	(3,100)	(2,243)
Funds Administered on Behalf of Other Parties		(51,583)	-	37,329
Net cash from/(to) Financing Activities		(50,286)	(3,100)	35,086
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(38,013)</b>	<b>(65,030)</b>	<b>123,406</b>
Cash and cash equivalents at the beginning of the year	7	332,550	239,000	209,144
<b>Cash and cash equivalents at the end of the year</b>	7	<b>294,537</b>	<b>173,970</b>	<b>332,550</b>

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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.

# Mararoa School

## Notes to the Financial Statements

### For the year ended 31 December 2023

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Mararoa 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 is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### **Reporting Period**

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

###### **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 expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### **Measurement Base**

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### **Presentation Currency**

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

###### **Specific Accounting Policies**

The accounting policies used in the preparation of these financial statements are set out below.

###### **Critical Accounting Estimates And Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

###### **Cyclical maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

###### **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.

### **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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

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. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 22.

#### **Recognition of grants**

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### **Other Grants where conditions exist**

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 recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met, funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

#### **Interest Revenue**

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

### **e) 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.

### **f) 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.

#### **g) Accounts Receivable**

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

#### **h) Inventories**

Inventories are consumable items held for sale and are 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.

#### **i) Investments**

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

#### **j) Property, Plant and Equipment**

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board 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	20–50 years
Board Owned Buildings	20–50 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **k) 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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on comparison to recent market transactions..

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 surplus or deficit.

The reversal of an impairment loss is recognised in surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

#### **l) Accounts Payable**

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

#### **m) Employee Entitlements**

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

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide 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 annual leave earned, by non teaching staff, but not yet taken at balance date.

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

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### **n) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such, these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

#### **o) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

**p) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

**q) 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.

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**s) Budget Figures**

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

**t) Services received in-kind**

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

**t) Biological Assets**

Biological assets are valued at IRD National Average Market Values Livestock Determination 2023, and measured at fair value less costs.

## 2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	212,501	200,000	203,830
Teachers' Salaries Grants	400,407	410,000	396,894
Use of Land and Buildings Grants	143,132	95,000	109,200
Other Government Grants	9,515	-	1,992
	<u>765,555</u>	<u>705,000</u>	<u>711,916</u>

The school has not opted in to the donations scheme for this year.

## 3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>			
Donations & Bequests	14,902	6,500	21,431
Fees for Extra Curricular Activities	1,842	-	4,059
Trading	1,783	2,000	2,900
Fundraising & Community Grants	40,839	29,500	42,745
Other Revenue	2,253	2,700	2,016
	<u>61,619</u>	<u>40,700</u>	<u>73,151</u>
<b>Expense</b>			
Extra Curricular Activities Costs	11,633	1,500	9,454
Trading	2,026	17,000	2,480
Fundraising and Community Grant Costs	-	2,000	1,360
	<u>13,659</u>	<u>20,500</u>	<u>13,294</u>
	<u>47,960</u>	<u>20,200</u>	<u>59,857</u>

*Surplus/ (Deficit) for the year Locally Raised Funds*

## 4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	9,860	12,610	3,280
Employee Benefits - Salaries	453,366	483,000	462,198
Staff Development	7,260	8,400	2,027
Depreciation	6,817	5,000	5,414
	<u>477,303</u>	<u>509,010</u>	<u>472,919</u>

## 5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	4,250	5,200	4,500
Board Fees	3,575	3,500	3,850
Board Expenses	3,304	4,000	1,121
Communication	1,634	1,400	1,323
Consumables	1,617	1,500	915
Operating Leases	-	-	240
Other	20,318	16,210	13,737
Employee Benefits - Salaries	53,233	43,000	48,053
Insurance	954	1,500	-
	88,885	76,310	73,739

## 6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	2,668	4,000	3,304
Consultancy and Contract Services	8,370	9,000	3,149
Cyclical Maintenance	(12,745)	5,500	19,386
Grounds	2,336	1,600	1,908
Heat, Light and Water	12,597	10,000	8,610
Rates	1,630	1,600	1,481
Repairs and Maintenance	12,965	5,200	2,806
Use of Land and Buildings	143,132	95,000	109,200
Security	-	-	-
Employee Benefits - Salaries	6,510	5,000	5,608
	177,463	136,900	155,452

The use of land and buildings figure represents 5% 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. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	294,537	173,970	332,550
Cash and cash equivalents for Statement of Cash Flows	294,537	173,970	332,550

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

Of the \$294,537 Cash and Cash Equivalents, \$24,515 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

## 8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	667	-	815
Receivables from the Ministry of Education	3,242	-	-
Banking Staffing Underuse	829	-	-
Teacher Salaries Grant Receivable	32,469	35,000	32,135
	<u>37,207</u>	<u>35,000</u>	<u>32,950</u>
Receivables from Exchange Transactions	667	-	815
Receivables from Non-Exchange Transactions	36,540	35,000	32,135
	<u>37,207</u>	<u>35,000</u>	<u>32,950</u>

## 9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	1,545	-	1,785
	<u>1,545</u>	<u>-</u>	<u>1,785</u>

## 10. Biological Assets

	2023 Actual \$	2023 Budget \$	2022 Actual \$
Cattle	18,280	-	21,486
	<u>18,280</u>	<u>-</u>	<u>21,486</u>

## 11. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	56,552	52,300	54,277
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>56,552</u>	<u>52,300</u>	<u>54,277</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Land	5,000	-	-	-	-	5,000
Building Improvements	50,102	-	-	-	(1,580)	48,522
Furniture and Equipment	2,765	10,363	-	-	(1,258)	11,870
Information and Communication Technology	6,503	4,566	-	-	(2,523)	8,546
Leased Assets	2,212	6,134	-	-	(1,456)	6,890
Library Resources	10,500	-	-	-	-	10,500
<b>Balance at 31 December 2023</b>	<b>77,082</b>	<b>21,063</b>	<b>-</b>	<b>-</b>	<b>(6,817)</b>	<b>91,328</b>

The net carrying value of furniture and equipment held under a finance lease is \$5,277 (2022: \$2,212)

### Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	5,000	-	5,000	5,000	-	5,000
Building Improvements	141,730	(93,208)	48,522	141,729	(91,628)	50,101
Furniture and Equipment	85,152	(73,282)	11,870	98,140	(92,156)	5,984
Information and Communication Technology	28,544	(19,998)	8,546	33,511	(30,227)	3,284
Leased Assets	10,416	(3,526)	6,890	9,075	(6,863)	2,212
Library Resources	35,217	(24,717)	10,500	35,217	(24,717)	10,500
<b>Balance at 31 December 2023</b>	<b>306,059</b>	<b>(214,731)</b>	<b>91,328</b>	<b>322,672</b>	<b>(245,591)</b>	<b>77,081</b>

## 13. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	9,997	5,000	25,450
Accruals	5,000	5,000	4,500
Employee Entitlements - Salaries	39,583	35,000	32,135
Employee Entitlements - Leave Accrual	6,660	-	6,660
	<b>61,240</b>	<b>45,000</b>	<b>68,745</b>
Payables for Exchange Transactions	61,240	45,000	68,745
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>61,240</b>	<b>45,000</b>	<b>68,745</b>

The carrying value of payables approximates their fair value.

#### 14. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Other revenue in Advance	6,000	-	-
	<u>6,000</u>	<u>-</u>	<u>-</u>

#### 15. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	92,469	92,469	73,083
Increase to the Provision During the Year	3,002	5,500	19,386
Use of the Provision During the Year	(39,900)	-	-
Other Adjustments	(16,218)	-	-
Provision at the End of the Year	<u>39,353</u>	<u>97,969</u>	<u>92,469</u>
Cyclical Maintenance - Current	26,786	-	66,710
Cyclical Maintenance - Non current	12,567	13,900	25,759
	<u>39,353</u>	<u>13,900</u>	<u>92,469</u>

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools 10 Year Property plan.

#### 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:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	2,508	2,200	1,603
Later than One Year and no Later than Five Years	5,143	100	1,212
Later than Five Years	-	-	-
Future Finance Charges	-	-	-
	<u>7,651</u>	<u>2,300</u>	<u>2,815</u>
<b>Represented by</b>			
Finance lease liability - Current	2,508	2,200	1,603
Finance lease liability - Non current	5,143	100	1,212
	<u>7,651</u>	<u>2,300</u>	<u>2,815</u>

## 17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2023	Project Number	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Translucent Roofing	230219	-	28,750	(4,235)	-	24,515
LSC Office		41,795	16,371	(77,349)	-	(19,183)
Windows		-	57,000	(67,485)	-	(10,485)
SIP	222273	-	3,720	(18,062)	9,716	(4,626)
Totals		41,795	105,841	(167,131)	9,716	(9,779)

### Represented by:

Funds Held on Behalf of the Ministry of Education	24,515
Funds Receivable from the Ministry of Education	(34,294)

2022	Project Number	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Outdoor Covered Area		(1,438)	36,651	(55,780)	20,567	-
LSC Office	123456	5,905	87,834	(51,944)	-	41,795
Totals		4,467	124,485	(107,724)	20,567	41,795

### Represented by:

Funds Held on Behalf of the Ministry of Education	41,795
Funds Receivable from the Ministry of Education	-

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i> Remuneration	3,575	3,850
<i>Leadership Team</i> Remuneration Full-time equivalent members	127,026 1	126,349 1
Total key management personnel remuneration	130,601	130,199

There are 6 members of the Board excluding the Principal. The Board has held 10 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider finance, property and student welfare matters.

### Principal 1

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	30-40	120-130
Benefits and Other Emoluments	1-2	5-6
Termination Benefits	-	-

### Principal 2

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90-100	-
Benefits and Other Emoluments	2-3	-
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100-110	1	1
110-120	-	-
	1.00	1.00

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

## 20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, 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:

	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

## 21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: nil).

### Holidays Act Compliance – Schools Payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider, Education Payroll Limited.

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals, as such, this is expected to resolve the liability for school boards.

### Pay equity settlement wash-up amounts

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. However, as at the reporting date, this amount had not been calculated and therefore is not recorded in these financial statements.

## 22. Commitments

### (a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$126,365 (2022:\$87,887) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Translucent Roofing	130,600	4,235	126,365
<b>Total</b>	<b>130,600</b>	<b>4,235</b>	<b>126,365</b>

## (b) Operating Commitments

As at 31 December 2023, the Board has entered into the following contracts:

(a) Nil

## 23. 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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	294,537	173,970	332,550
Receivables	37,207	35,000	32,950
Investments - Term Deposits	56,552	52,300	54,277
Total financial assets measured at amortised cost	<u>388,296</u>	<u>261,270</u>	<u>419,777</u>

### Financial liabilities measured at amortised cost

Payables	61,240	45,000	68,745
Finance Leases	7,651	2,300	2,815
Total financial liabilities measured at amortised cost	<u>68,891</u>	<u>47,300</u>	<u>71,560</u>

## 24. Events After Balance Date

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

## 25. Comparatives

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

## INDEPENDENT AUDITOR'S REPORT

### To the readers of Mararoa School's financial statements for the year ended 31 December 2023

The Auditor-General is the auditor of Mararoa School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe New Zealand Audit Partnership, 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 19, that comprise the statement of financial position as at 31 December 2023, 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:

- a) present fairly, in all material respects:
  - its financial position as at 31 December 2023; and
  - its financial performance and cash flows for the year then ended; and
- b) 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 11 June 2024. 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 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 arise from section 134 of the Education and Training Act 2020.

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

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

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board is responsible for the other information. The other information comprises BOT listing, Analysis of Variance, Report on Student's Progress and Achievement, Report on How the School has given effect to Te Tiriti o Waitangi, Statement of Compliance with Employment Policy and Statement of Kiwisport Funding, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



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

## **Kiwi Sport**

Kiwi Sport is a Government funding initiative to support students' participation in organised sport.

In 2023, the school received total Kiwi Sport funding of **\$615.32** (excluding GST).

The funding was spent on:

### *Swimming Coaching*

*The school uses external coaches to assist with developing skills and confidence to encourage children to take part in organised sport.*

*We also purchased specialised equipment to use in developing students skills and confidence as an encouragement to get involved in organised sport, such as team bib sets, rugby & net balls and T Ball sets.*



Melodie Gage-Witham  
Mararoa School Principal

## Mararoa Primary School

For the year ended 31 December 2023

<b>Name</b>	<b>Position</b>	<b>How position gained</b>	<b>Occupation</b>	<b>Term expires</b>
Luke Thomas	Presiding Member	Mid term election Dec 2020	Farmer	November 2026
Angie Campbell	Staff Representative	By-election June 2020	School Admin	September 2025
Paul Preston	Parent Representative	Selection April 2021	Farmer	September 2025
Richard Jordan	Parent Representative	3 yearly election Sept 2022	Farmer	September 2025
Kate Slee	Parent Representative	3 yearly election June 2019	Farmer	September 2025
Ally Douglas	Parent Representative	Selected May 2023	Nurse	November 2026
Melodie Gage-Witham	Principal	Appointed April 2023		

## How is Mararoa School giving effect to Te Tiriti of Waitangi?

Mararoa School gives effect to the Te Tiriti of Waitangi by living out the values and beliefs detailed in the Mararoa School Strategic Plan. These values state: Mararoa School will give effect to Te Tiriti of Waitangi by working to ensure plans, policies, and local curriculum reflect local tikanga Maori (customs or practices), matauranga Maori (knowledge) and Te Ao Maori (relationships between nature and people). Community consultation with solely our Maori whanau/caregivers has proven difficult due to the very few families who identify as being of Maori descent and are willing to share their ideas and ideals for their tamariki. Nevertheless, Mararoa staff and Board intentionally keep tikanga Maori, Te Ao Maori and matauranga Maori at the forefront of any planning and policy decisions made. Teaching staff use Te Reo correctly in class both incidentally and as planned across all curriculum areas, and actively incorporate all things Maori into their planning. Where no human resource is available, suitable online resources are used (for example Wai Ako site, SpeakMaori for Kids). The Local Curriculum has a focus on teaching and learning about the local whakapapa of the area. The three local area Principals work together to identify ways to identify and utilise resources (including people, correctly researched stories of the local land areas and best places to seek matauranga from) and they actively seek to continue to build on their relationships with the local iwi (137km away from school). Our Maori students' cumulative learning records, achievement and progress is discussed at school and board level.



2 RD, Te Anau Phone 03 249 5816 / Email [office@mararoa.school.nz](mailto:office@mararoa.school.nz)

## 2023 Statement of Compliance

Mararoa School board acts as a good employer and takes all reasonable steps to build working relationships based on trust, confidence, and good faith. The board treats employees fairly and properly in all aspects of their employment as required by the Public Service Act 2020, and complies with legislation on employment and personnel matters. The board complies with the conditions contained in employment contracts for teaching and non-teaching staff.

The board ensures strong leadership by recognising the principal as the school's educational leader, the chief executive, and an employee of the board.

As required by the Education and Training Act 2020 (s 597), Mararoa School operates an employment policy that complies with the principle of being a good employer and ensures the fair and proper treatment of staff in all aspects of their employment. This Equal Employment Opportunities (EEO) policy is our framework for providing an inclusive, non-discriminatory workplace, and promoting equal opportunities for all staff members.

Mararoa School promotes equal opportunities by applying our EEO framework to all relevant school policies and procedures, particularly those relating to employment (e.g. recruitment and selection, training, professional development, and promotion).

This is to ensure that we:

- treat current and prospective staff fairly
- make decisions based on relevant merit
- work to eliminate bias and discrimination.

A handwritten signature in black ink that reads 'Melodie Gage-Witham'.

Melodie Gage-Witham  
Principal  
Mararoa School