

# **MURUPARA AREA SCHOOL**

## **ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**



# MURUPARA AREA SCHOOL

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

**Ministry Number:** 658

**Principal:** Kura Hingston

**School Address:** 84 Pine Drive, Murupara

**School Postal Address:** P.O. Box 26, Murupara 3025

**School Phone:** 07 366 5602

**School Email:** [jgifkins@mas.school.nz](mailto:jgifkins@mas.school.nz)

#### Members of the Board:

Name	Position	How Position Gained	Term Expired/ Expires
Angela Anderson	Presiding Member	Co-Opted	Sep-25
Shawn Gielen	Limited Statutory Manager		
Kura Hingston	Principal (appointed Feb 2024)	ex Officio	
Jackie Beamsley	Parent Representative	Re-Elected	Sep-25
Charlie Teddy	Parent Representative	Elected	Sep-25
Hyrum Heke	Parent Representative	Co-Opted	Sep-25
Miriama Iti	Staff Representative	Elected	Sep-25
Shadi Mellon	Student Representative	Elected	Sep-24
Satriani Grace	Student Representative	Elected	Sep-23
April O'Brien	Parent Representative	Re-Elected	Oct-23

#### Accountant / Service Provider:



#### Auditor:

BDO Tauranga Limited

# MURUPARA AREA SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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# Murupara Area 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.

Angela Anderson.  
Full Name of Presiding Member

Angela Anderson  
Signature of Presiding Member

30/05/2024  
Date:

Kuratu Hingston  
Full Name of Principal

Kuratu Hingston  
Signature of Principal

30/05/2024  
Date:

# Murupara Area 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	3,937,738	3,743,453	4,004,109
Locally Raised Funds	3	35,901	41,500	104,267
Interest		50,648	5,000	18,367
Gain on Sale of Property, Plant and Equipment		-	-	19,630
<b>Total Revenue</b>		<b>4,024,287</b>	<b>3,789,953</b>	<b>4,146,373</b>
<b>Expense</b>				
Locally Raised Funds	3	8,352	8,000	30,742
Learning Resources	4	2,744,144	2,732,769	2,608,749
Administration	5	516,750	304,261	596,686
Interest		3,272	-	2,179
Property	6	883,026	819,461	802,900
Loss on Disposal of Property, Plant and Equipment		1,499	-	-
<b>Total Expense</b>		<b>4,157,043</b>	<b>3,864,491</b>	<b>4,041,256</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(132,756)</b>	<b>(74,538)</b>	<b>105,117</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(132,756)</b>	<b>(74,538)</b>	<b>105,117</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.





# Murupara Area 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>		1,596,699	1,562,826	1,491,582
Total comprehensive revenue and expense for the year		(132,756)	(74,538)	105,117
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		32,337	-	-
<b>Equity at 31 December</b>		1,496,280	1,488,288	1,596,699
Accumulated comprehensive revenue and expense		1,496,280	1,488,288	1,596,699
<b>Equity at 31 December</b>		1,496,280	1,488,288	1,596,699

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.



# Murupara Area 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	257,572	214,966	294,557
Accounts Receivable	8	205,422	221,217	202,701
GST Receivable		18,222	27,213	29,627
Prepayments		7,398	-	-
Investments	9	785,459	744,355	751,819
Funds Receivable for Capital Works Projects	17	16,675	-	30,492
		1,290,748	1,207,751	1,309,196
<b>Current Liabilities</b>				
Accounts Payable	11	278,118	281,830	281,830
Revenue Received in Advance	12	45,361	20,286	20,286
Provision for Cyclical Maintenance	13	5,241	17,294	5,188
Painting Contract Liability	14	19,216	19,216	19,216
Finance Lease Liability	15	14,558	15,060	13,853
Funds held in Trust	16	262	262	262
Funds held for Capital Works Projects	17	-	-	320
		362,756	353,948	340,955
<b>Working Capital Surplus/(Deficit)</b>		927,992	853,803	968,241
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	623,721	706,006	703,848
		623,721	706,006	703,848
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	18,740	43,437	13,032
Painting Contract Liability	14	16,814	9,608	28,824
Finance Lease Liability	15	19,879	18,476	33,534
		55,433	71,521	75,390
<b>Net Assets</b>		1,496,280	1,488,288	1,596,699
<b>Equity</b>		1,496,280	1,488,288	1,596,699

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



# Murupara Area 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		1,530,798	1,390,826	1,627,385
Locally Raised Funds		21,343	23,363	86,130
Goods and Services Tax (net)		11,405	(28,170)	(28,169)
Payments to Employees		(807,938)	(653,698)	(725,213)
Payments to Suppliers		(760,234)	(654,736)	(822,725)
Interest Paid		(3,272)	-	(2,179)
Interest Received		45,808	(1,326)	4,577
Net cash from/(to) Operating Activities		37,910	76,259	139,806
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		517	36,144	33,649
Purchase of Property Plant & Equipment (and Intangibles)		(60,891)	(388,108)	(161,699)
Purchase of Investments		(33,640)	-	
Net cash from/(to) Investing Activities		(94,014)	(351,964)	(128,050)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		32,337	-	
Finance Lease Payments		(14,705)	(13,854)	(10,211)
Painting Contract Payments		(12,010)	28,824	48,040
Funds Administered on Behalf of Other Parties		13,497	-	(140,016)
Net cash from/(to) Financing Activities		19,119	14,970	(102,187)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(36,985)</b>	<b>(260,735)</b>	<b>(90,431)</b>
Cash and cash equivalents at the beginning of the year	7	294,557	475,701	384,988
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>257,572</b>	<b>214,966</b>	<b>294,557</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.





# Murupara Area School

## Notes to the Financial Statements

### For the year ended 31 December 2023

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Murupara Area 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 13.

###### *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 for the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.



### ***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 15. 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.

### **d) 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.

### **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) 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.

#### **i) 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	18–40 years
Board Owned Buildings	18–40 years
Furniture and equipment	5–15 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	4 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value



#### **j) 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.

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.

#### **k) 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.

#### **l) 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.

#### **m) 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 or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are 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.

#### **n) 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 Comprehensive Revenue and Expense.

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





**o) 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.

**p) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision 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.

**q) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are 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, borrowings, finance lease liability, and painting contract 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.

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**s) Budget Figures**

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

**t) Services received in-kind**

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



## 2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,400,679	1,197,029	1,553,081
Teachers' Salaries Grants	1,932,695	2,000,000	1,926,585
Use of Land and Buildings Grants	516,450	453,735	453,735
Other Government Grants	87,914	92,689	70,708
	<u>3,937,738</u>	<u>3,743,453</u>	<u>4,004,109</u>

The school has opted in to the donations scheme for this year. Total amount received was \$29,745.

## 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	3,151	-	91,900
Fees for Extra Curricular Activities	28,949	41,500	7,638
Trading	1,246	-	386
Fundraising & Community Grants	2,555	-	4,343
	<u>35,901</u>	<u>41,500</u>	<u>104,267</u>
<b>Expense</b>			
Extra Curricular Activities Costs	3,606	8,000	10,946
Fundraising and Community Grant Costs	4,746	-	19,796
	<u>8,352</u>	<u>8,000</u>	<u>30,742</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>27,549</u>	<u>33,500</u>	<u>73,525</u>

## 4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	180,202	199,447	90,369
Equipment Repairs	-	1,000	4,128
Information and Communication Technology	60,274	58,000	64,600
Employee Benefits - Salaries	2,350,801	2,319,322	2,264,430
Staff Development	12,110	25,000	18,553
Depreciation	140,757	130,000	166,669
	<u>2,744,144</u>	<u>2,732,769</u>	<u>2,608,749</u>

## 5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	6,931	5,000	6,001
Board Fees	4,105	5,000	3,490
Board Expenses	5,416	10,000	16,684
Communication	6,968	10,000	8,096
Consumables	15,376	15,989	56,999
Operating Leases	(1,774)	13,000	(284)
Other	240,125	40,775	259,354
Employee Benefits - Salaries	230,654	193,997	237,833
Insurance	2,181	3,000	1,769
Service Providers, Contractors and Consultancy	6,768	7,500	6,744
	516,750	304,261	596,686

## 6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	13,398	15,000	13,662
Consultancy and Contract Services	8,482	-	67,256
Cyclical Maintenance	5,761	30,000	(50,402)
Grounds	2,259	6,500	10,251
Heat, Light and Water	82,058	90,000	85,995
Rates	7,940	10,000	8,627
Repairs and Maintenance	68,868	60,587	51,981
Use of Land and Buildings	516,450	453,735	453,735
Security	-	1,000	-
Employee Benefits - Salaries	177,810	152,639	161,795
	883,026	819,461	802,900

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	257,572	214,966	294,557
Cash and cash equivalents for Statement of Cash Flows	257,572	214,966	294,557

Of the \$257,572 Cash and Cash Equivalents, \$43,160 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.



## 8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	9,899	23,797	5,281
Receivables from the Ministry of Education	21,286	28,476	28,476
Interest Receivable	11,688	6,848	6,848
Teacher Salaries Grant Receivable	162,549	162,096	162,096
	<u>205,422</u>	<u>221,217</u>	<u>202,701</u>
Receivables from Exchange Transactions	21,587	30,645	12,129
Receivables from Non-Exchange Transactions	183,835	190,572	190,572
	<u>205,422</u>	<u>221,217</u>	<u>202,701</u>

## 9. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	785,459	744,355	751,819
	<u>785,459</u>	<u>744,355</u>	<u>751,819</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2023</b>						
Building Improvements - Crown	240,688	2,092	-	-	(12,839)	<b>229,941</b>
Furniture and Equipment	289,569	3,976	-	-	(34,996)	<b>258,549</b>
Information and Communication Technology	55,991	52,606	(595)	-	(43,577)	<b>64,425</b>
Motor Vehicles	46,827	-	-	-	(25,142)	<b>21,685</b>
Leased Assets	44,725	1,755	(1,421)	-	(14,061)	<b>30,998</b>
Library Resources	1,827	-	-	-	(1,675)	<b>152</b>
Plant & Equipment	22,654	2,217	-	-	(7,744)	<b>17,127</b>
Recreation & PE Equipment	1,567	-	-	-	(723)	<b>844</b>
<b>Balance at 31 December 2023</b>	<u>703,848</u>	<u>62,646</u>	<u>(2,016)</u>	<u>-</u>	<u>(140,757)</u>	<u><b>623,721</b></u>

The net carrying value of furniture and equipment held under a finance lease is \$30,998 (2022: \$45,954)

### 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
	\$	\$	\$	\$	\$	\$
Building Improvements - Crown	332,493	(102,552)	229,941	330,401	(89,713)	240,688
Furniture and Equipment	773,909	(515,360)	258,549	773,830	(484,261)	289,569
Information and Communication Technology	480,352	(415,927)	64,425	431,247	(375,256)	55,991
Motor Vehicles	248,824	(227,139)	21,685	248,824	(201,997)	46,827
Leased Assets	54,740	(23,742)	30,998	55,208	(10,483)	44,725
Library Resources	63,816	(63,664)	152	63,816	(61,989)	1,827
Plant & Equipment	44,554	(27,427)	17,127	42,337	(19,683)	22,654
Recreation & PE Equipment	2,169	(1,325)	844	2,169	(602)	1,567
<b>Balance at 31 December 2023</b>	<b>2,000,857</b>	<b>(1,377,136)</b>	<b>623,721</b>	<b>1,947,832</b>	<b>(1,243,984)</b>	<b>703,848</b>

#### 11. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	44,163	67,167	67,167
Accruals	5,383	5,176	5,176
Employee Entitlements - Salaries	186,520	172,812	172,812
Employee Entitlements - Leave Accrual	42,052	36,675	36,675
	<b>278,118</b>	<b>281,830</b>	<b>281,830</b>

Payables for Exchange Transactions	278,118	281,830	281,830
	<b>278,118</b>	<b>281,830</b>	<b>281,830</b>

The carrying value of payables approximates their fair value.

#### 12. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	43,160	8,145	8,145
Other revenue in Advance	2,201	12,141	12,141
	<b>45,361</b>	<b>20,286</b>	<b>20,286</b>



### 13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	18,220	-	90,609
Increase to the Provision During the Year	5,761	30,000	(35,764)
Use of the Provision During the Year	-	-	(36,625)
Other Adjustments	-	-	-
Provision at the End of the Year	23,981	30,000	18,220
Cyclical Maintenance - Current	5,241	17,294	5,188
Cyclical Maintenance - Non current	18,740	43,437	13,032
	23,981	60,731	18,220

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2032. This plan is based on the schools 10 Year Property plan and quotes from Programmed Property Services.

### 14. Painting Contract Liability

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Due within one year	19,216	19,216	19,216
Due after one year	16,814	9,608	28,824
	36,030	28,824	48,040

In 2021 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an five year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2022, with regular maintenance in subsequent years. 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.

### 15. 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	16,674	17,060	17,104
Later than One Year and no Later than Five Years	21,787	20,276	37,292
Future Finance Charges	(4,024)	(3,800)	(7,009)
	34,437	33,536	47,387
<b>Represented by</b>			
Finance lease liability - Current	14,558	15,060	13,853
Finance lease liability - Non current	19,879	18,476	33,534
	34,437	33,536	47,387



## 16. Funds held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	262	262	262
	262	262	262

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expense of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 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	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Camera's 5YA (221455)	(494)	-	-	494	-
BWOF Sprinkler (232031)	320	-	-	(320)	-
Replace Building Management System (BMS) (233267)	(3,560)	3,560	-	-	-
SIPs - Sun Shades, Irrigation, Flood Lights (223477)	(26,438)	17,663	-	-	(8,775)
Backflow Preventer (246296)	-	-	(7,900)	-	(7,900)
Totals	(30,172)	21,223	(7,900)	174	(16,675)

### Represented by:

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

-  
(16,675)

2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
LPSM - Accessibility Ramps (214648)	28,207	(25,381)	(2,826)	-	-
Backflow Preventer	(455)	-	455	-	-
Camera's 5YA (221455)	(300)	38,143	(38,337)	-	(494)
BWOF Sprinkler (232031)	1,672	2,175	(3,527)	-	320
Replace Building Management System (BMS) (233267)	32,190	-	(35,750)	-	(3,560)
SIPs - Sun Shades, Irrigation, Flood Lights (223477)	48,530	-	(74,968)	-	(26,438)
Seating Project (234353)	-	32,700	(32,700)	-	-
Totals	109,844	47,637	(187,653)	-	(30,172)

### Represented by:

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

320  
(30,492)



## 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 \$
Board Members Remuneration	4,105	3,490
Leadership Team Remuneration	550,081	568,577
Full-time equivalent members	4.00	5.00
Total key management personnel remuneration	554,186	572,067

There are seven members of the Board excluding the Principal. The Board has held eight full meetings of the Board in the year. The Board also has held one Finance meeting (3 members), two Property meetings (1 member). 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 student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal 1

#### No appointed principal for 2023

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	-	110 - 120
Benefits and Other Emoluments	-	3 - 4
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	-	30 - 40
Benefits and Other Emoluments	-	-
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	5.00	3.00
110 - 120	0.00	2.00
120 - 130	4.00	1.00
160 - 170	1.00	0.00
	10.00	6.00

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	\$8,727	\$0
Number of People	1	nil

#### 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.

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 \$23,928 (2022:\$30,172) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Backflow Preventer (246296)	15,000	7,900	7,100
SIPs - Sun Shades, Irrigation, Flood Lights (223477)	201,200	184,372	16,828
<b>Total</b>	<b>216,200</b>	<b>192,272</b>	<b>23,928</b>

### (b) Operating Commitments

The board has entered into a painting contract beginning 2022 and the term is for 5 years . The operating commitments as at 31 December 2023 is \$ 17,294.40 (2022: \$23,059.20). This commitment reflects the remaining painting not yet done which is still to be paid.

## 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	257,572	214,966	294,557
Receivables	205,422	221,217	202,701
Investments - Term Deposits	785,459	744,355	751,819
Total financial assets measured at amortised cost	1,248,453	1,180,538	1,249,077

### Financial liabilities measured at amortised cost

Payables	278,118	281,830	281,830
Finance Leases	34,437	33,536	47,387
Painting Contract Liability	36,030	28,824	48,040
Total financial liabilities measured at amortised cost	348,585	344,190	377,257

## 24. Events After Balance Date

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

# **Murupara Area School**

## **Statement of Compliance with Employment Policy**

For the year ended 31 December 2023

For the year ended 31 December 2023: the Murupara Area School Board:

Has developed and implemented personnel policies, within policy and procedural frameworks to ensure fair and proper treatment of employees in all aspects of their employment.

Has reviewed its compliance against both its personnel policy and procedure and can report that it meets all requirements and has identified best practice.

Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.

Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.

Meets all Equal Employment Opportunities requirements.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF MURUPARA AREA SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Murupara Area School (the School). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, 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:

- 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
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 30 May 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 of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



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

The Board's responsibilities 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 Edpay 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 the Statement of Responsibility, Members of the Board Listing, Statement of Variance, Kiwisport Report, Report on how the school has given effect to Te Tiriti o Waitangi, Evaluation of the School's Students' Progress and Achievement, and the Statement of Compliance with Employment Policy, but does not include the financial statements, and our auditor's report thereon.


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

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

### **Independence**

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

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



Donna Taylor  
BDO Tauranga  
On behalf of the Auditor-General  
Tauranga, New Zealand