

At Maungaraki School we are committed to living the principles of Te Tiriti o Waitangi and developing tamariki who are strong and confident in their own identities, languages and cultures, while celebrating those of others.

## Vision

Passion for Learning,  
Passion for Life.  
Nō reira, kia kaha ra.



## Mission

With wellbeing at the heart of what we do, we are creating resilient learners who respect themselves, others and the environment.





HAUORA



ENGAGED



ACTIVE



RELATIONSHIPS



TEAMWORK



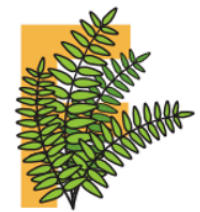
KĀKANO



TIPU



KORU



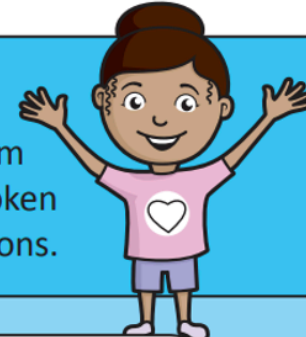
FERN






## HEART Values

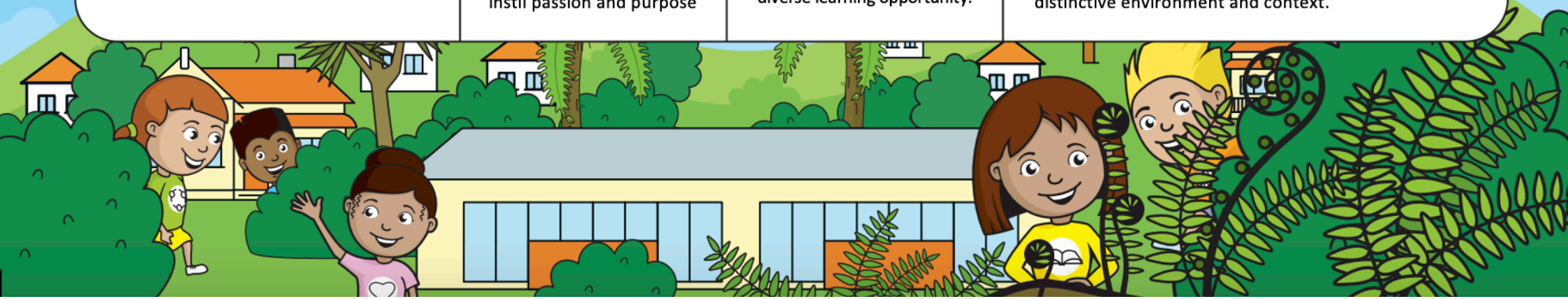
These have been designed alongside the community, the staff and the students of Maungaraki. Our HEART values align directly with the New Zealand Wellbeing Framework.

## School Structure

Following the progression of a Fern, from seed to Fern. The Values are further broken down to form progressions of expectations.



|   |   |   |  |   |
|---|---|---|--|---|
|  |  |  |                                       |  |
| <b>HAUORA</b>   | <b>ENGAGED</b>  | <b>ACTIVE</b>   | <b>RELATIONSHIPS</b>   | <b>TEAMWORK</b>   |
| <b>STRATEGIC AIM 1</b>  | <b>STRATEGIC AIM 2</b>  | <b>STRATEGIC AIM 3</b>  | <b>STRATEGIC AIM 4</b>   |   |
| Understand and develop our partnership with our community.                        | Connect students to authentic learning which instil passion and purpose           | Deliver a curriculum that focuses on creative and diverse learning opportunity.     | Te Ao Māori is woven into the essence of Maungaraki School, breathing life into our distinctive environment and context. |   |



# MAUNGARAKI SCHOOL



HAUORA

## Identity

- I acknowledge differences in others' beliefs and values.
- I am developing a sense of self-direction and purpose.
- I am aware of my learning styles and make deliberate choices to enhance them.
- I understand the impact of my actions on the environment.
- I live the principles of the Treaty, and respect my culture and the cultures of others.

## Physical

- I understand the changes I am going through and can manage myself through these.
- I care for my tinana.

## Social

- I build and maintain positive relationships across the school.
- I take ownership of our leadership roles and responsibilities.

## Emotional/Mental

- I continue to develop and practice a growth mindset.
- I am aware of our positive qualities and build on them.
- I manage my emotions and responses to situations and am able to self-regulate.



ENGAGED

- I am confident in managing my time with growing independence.
- I can articulate my next learning steps and know where to access what I need in order to achieve them.
- I reflect on the work I produce and seek ways to recraft and rework it to reach my full potential.
- I can motivate myself to apply the required effort to achieve my learning targets.



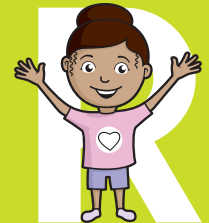
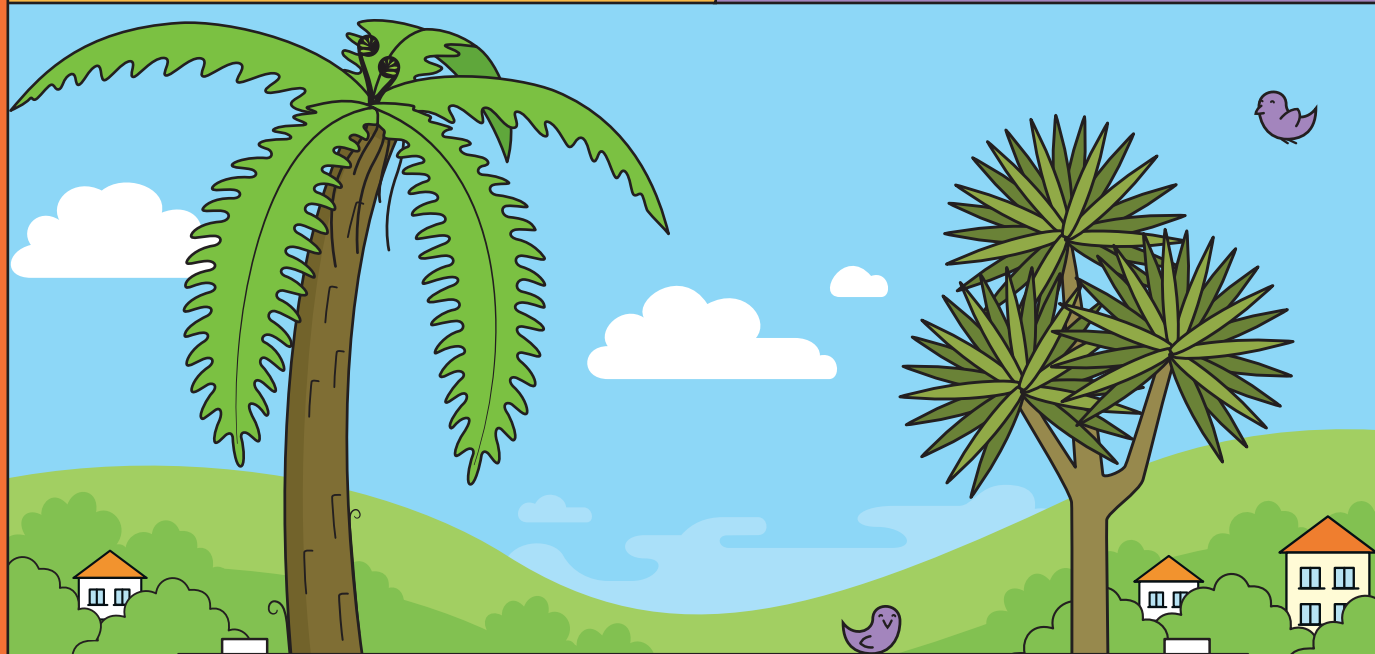
ACTIVE

## Learning:

- I am actively involved in the learning process from planning to outcomes.
- I can set appropriate learning goals and develop pathways to reach them.
- I am aware of the challenges that come with achieving long-term goals and that having a growth-mindset takes effort and commitment.

## Physical:

- I understand what my body needs and am able to reflect and adjust in response to those needs.
- I participate with a positive mindset in all opportunities.
- I am aware of my current capabilities and skill-set and make appropriate choices to develop these.
- I understand the fundamental skills required for different disciplines.



RELATIONSHIPS

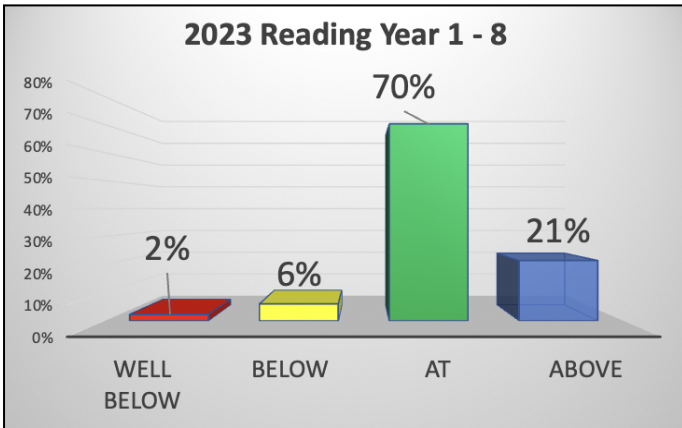
- I implement the strategies required to resolve conflicts effectively.
- I understand my own emotions and reactions, and can regulate these effectively.
- I can read the body language and social cues of others, and respond appropriately with tolerance.
- I seek to support others with their goals and am willing to be supported myself.
- I demonstrate gratitude and kindness in all my interactions. Using manners and listen attentively and with respect.



TEAMWORK

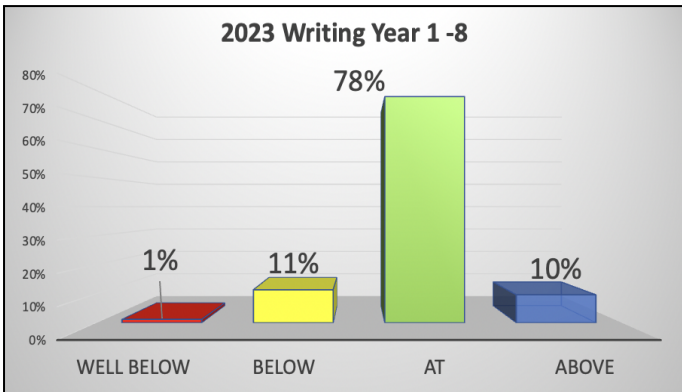
- I know that fair-play is not about being equal, but about making appropriate adjustments (equity rather than equality).
- I actively choose to work with a diverse range of my peers.
- I understand the need for a variety of roles and actively work to fulfil my role.
- I appreciate that people have diverse needs and skills.
- I am aware of my strengths and weaknesses, and work to learn from and support others.
- I understand that leadership comes with responsibilities and means doing the right thing, even if others are not (integrity).

# Reading Writing and Maths



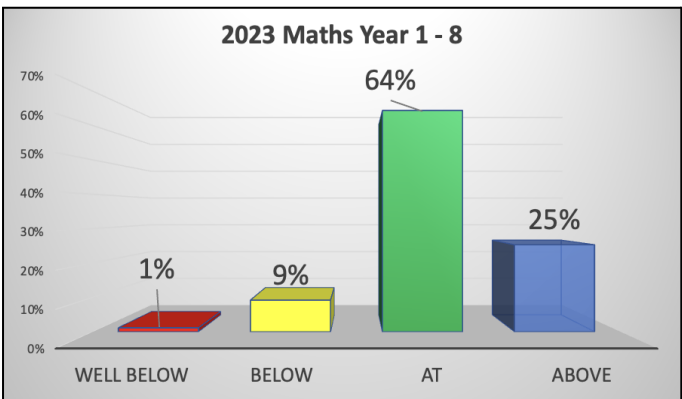
We have ended 2023 with **92%** of students **Reading** at or above their expected level.

We have missed reaching our goal in this area by 1%.



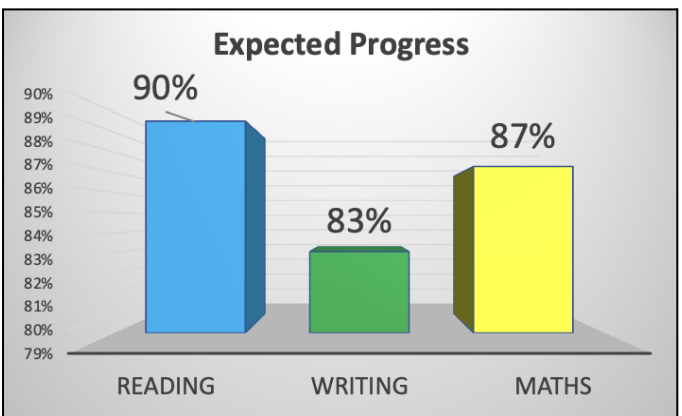
We have ended 2023 with **87%** of students **Writing** at or above their expected level.

We have missed reaching our goal in this area by 6%.



We have ended 2023 with **90%** of students **Maths** at or above their expected level.

We have missed reaching our goal in this area by 3%.



We met our goal in **Reading** with **90%** of students making expected progress.

We did not meet our goal in **Writing** with only **83%** of students making expected progress.

We did not meet our goal in **Maths** with **87%** of students making expected progress.

## Key Takeaways

We have some good results in 2023, and the teaching staff should be proud. They have worked hard to make gains with students, and each level of gain is hard fought. Our staff are committed to their practice and improving this over time which is neat to see. We have however seen a decline in students where they need to be achieving. Our current Strategic Plan addresses many of the areas that have been raised as we looked into this data, including writing PD, reviewing our ESOL programme and looking at teaching practice.

Our strongest performing subject was Reading. We were so close to meeting our target of 93%, coming in at 92% achieving. This continues to be an area of strength for our kura.

We saw a decline (5%) in our Writing achievement despite this being a focus for our team. This area continues to be a Professional Development focus for 2024 through our Ministry funded PLD with Murray Gadd.

Due to our growing number of English as a Second Language (ESOL) students, we need to review and refine the support programme we are offering them. We also need to provide staff with Professional Development to help them meet their needs where possible.

It is clear that some of our more recent enrolments have had an impact on the overall data we are presenting tonight. Students who start our school with little or no English are having major challenges meeting our expectations. We have had a large number of ESOL students enrol in 2023.

If you were to take out the new enrollments that have entered our school through 2023 from year 3 up we have **94%** of students **Reading** at or Above their expected level.

If you were to take out the new enrollments that have entered our school through 2023 from year 3 up we have **90%** of students **Writing** at or Above their expected level.

If you were to take out the new enrollments that have entered our school through 2023 from year 3 up we have **91%** of students **Maths** at or Above their expected level.

We have two target cohort areas we will need to continue to monitor. The 2024 Year 6 cohort and Year 8 cohort have the opportunity to make significant gains. They are two cohorts that staff will look to implement different initiatives for in 2024.

We will need to review the impact our Structured Literacy Programmes are having in 2024. Looking specifically at the impact it makes on our learners as they travel through the Tipu and Koru syndicates. We are now getting enough data that we can provide a before and after snapshot.

There is still a need to continue to focus on our Māori learners. While their data is looking good, it is not yet commensurate with their peers. Using tools like Ka Hikatia and working alongside our local iwi on local stories will be key in growing this.

We need to continue to stretch the top, bring up our tail and moderate more as a team. Moderating our findings across the school allows staff to feel more confident in making decisions about where students sit. Our next step in 2024 is to do some moderation across schools to check our work with others.

## Reading

| %            | Below |      |      |      |           | At    |       |       |      |            | Above |       |       |      |            |
|--------------|-------|------|------|------|-----------|-------|-------|-------|------|------------|-------|-------|-------|------|------------|
| Year         | 2019  | 2020 | 2021 | 2022 | 2023      | 2019  | 2020  | 2021  | 2022 | 2023       | 2019  | 2020  | 2021  | 2022 | 2023       |
| <b>Maths</b> | 6.4%  | 9%   | 7.8% | 5%   | <b>8%</b> | 72.5% | 74.9% | 74.7% | 75%  | <b>71%</b> | 21%   | 16.1% | 17.5% | 20%  | <b>21%</b> |

- We have 21% of students working Above in Reading, a pleasing result.
- Our Below category has grown by 3% from 2022, up to 8%,
- We have seen a decrease in the amount of students in the At category.

## Writing

| %            | Below |      |      |      |            | At    |       |       |      |            | Above |      |       |      |            |
|--------------|-------|------|------|------|------------|-------|-------|-------|------|------------|-------|------|-------|------|------------|
| Year         | 2019  | 2020 | 2021 | 2022 | 2023       | 2019  | 2020  | 2021  | 2022 | 2023       | 2019  | 2020 | 2021  | 2022 | 2023       |
| <b>Maths</b> | 11.5% | 7.8% | 9.8% | 7%   | <b>12%</b> | 77.9% | 82.6% | 80.2% | 83%  | <b>78%</b> | 10.5% | 9.5% | 10.1% | 10%  | <b>10%</b> |

- We have 10% of students working above in Writing. This is a concerning result. The staff is currently in a Writing Professional Development cycle, this can sometimes lead to a dip in results before programmes are embedded. We will continue our work in Writing in 2024.
- Our below category has grown by 5% from 2022, up to 12%,
- We have seen a 5% decrease in the amount of students in the at category.

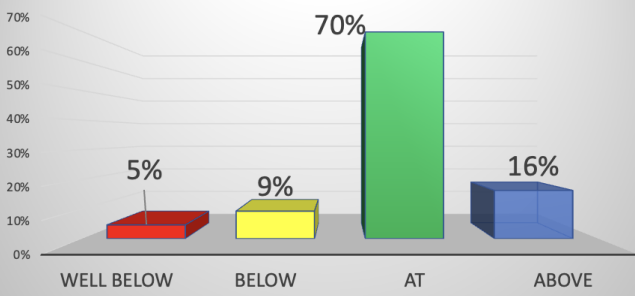
## Maths

| %            | Below |      |      |      |            | At    |       |       |      |            | Above |       |       |      |            |
|--------------|-------|------|------|------|------------|-------|-------|-------|------|------------|-------|-------|-------|------|------------|
| Year         | 2019  | 2020 | 2021 | 2022 | 2023       | 2019  | 2020  | 2021  | 2022 | 2023       | 2019  | 2020  | 2021  | 2022 | 2023       |
| <b>Maths</b> | 6.8%  | 8.7% | 7.7% | 7%   | <b>10%</b> | 71.8% | 77.6% | 72.7% | 72%  | <b>64%</b> | 21.4% | 13.7% | 19.6% | 21%  | <b>25%</b> |

- We have 25% of students working above in Mathematics, an excellent result for our staff.
- Our below category has grown by 3% from 2022, up to 10%, this will be an area of focus for staff in 2024.

## Māori achievement Data

Māori Reading Data Year 1 - 8

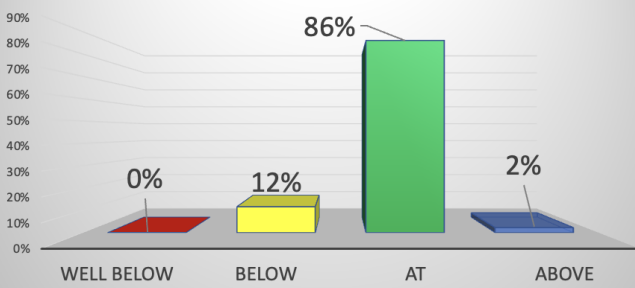


Our Māori learners are achieving well in the area of reading. **86%** of Māori students are achieving at expectations with **16%** achieving above expectations. We have **14%** of Māori students below expectations.

### Key Points

- Our Māori learners are over-represented in the below category.
- This reading data compares well with last year's data, an increase of 8% at or above.
- 2021 88%, 2022 93%, 2023 86%

Māori Writing Data Year 1 - 8

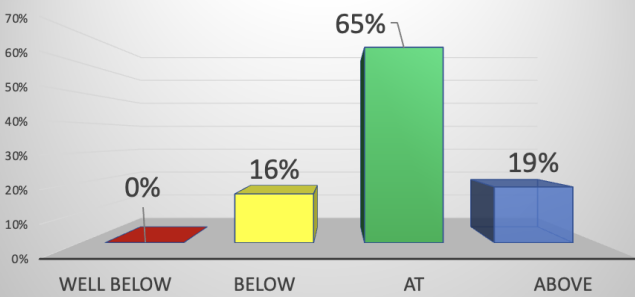


Most of our Māori learners are achieving at the expectation for writing. We have **12%** below compared with **8%** for the last two years. We had **2%** of students achieving above verses **0%** last year.

### Key Points

- We have **88%** of our Māori learners achieving at their expected curriculum level. Down 4% from last year.
- Our Māori learners are not represented well in the above area, this will need to be a focus for our team as we move into 2024.

Māori Maths Data Year 1 - 8



We have seen our maths data for our Māori students remain similar to 2022, therefore it remains an area of concern. Maths sees the highest number of Māori students represented below expectations - **16%**.

We do have **84%** of Māori students achieving at or above the expected level. We are seeing **19%** of students achieving above the standard, which is an excellent result.

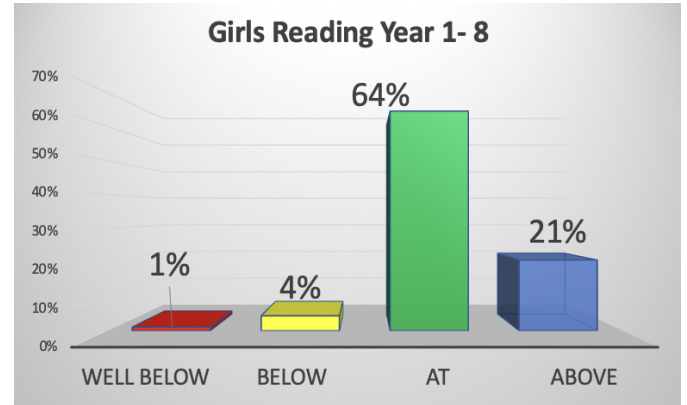
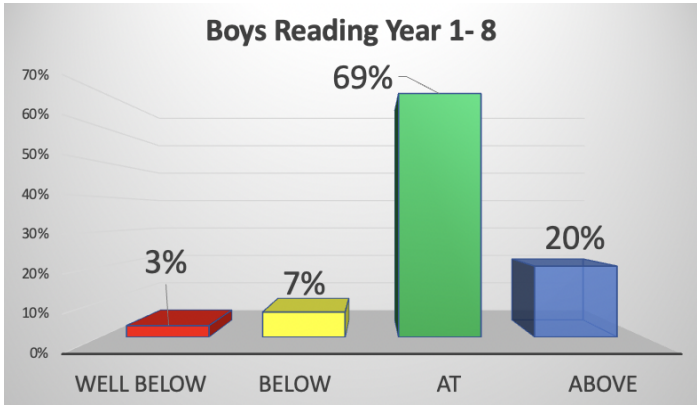
### Key Points

- We have **84%** of our Māori learners achieving at or above their expected curriculum level.
- Our Māori learners are too highly represented in the below area - **16%**. This is a focus for our team in 2024.

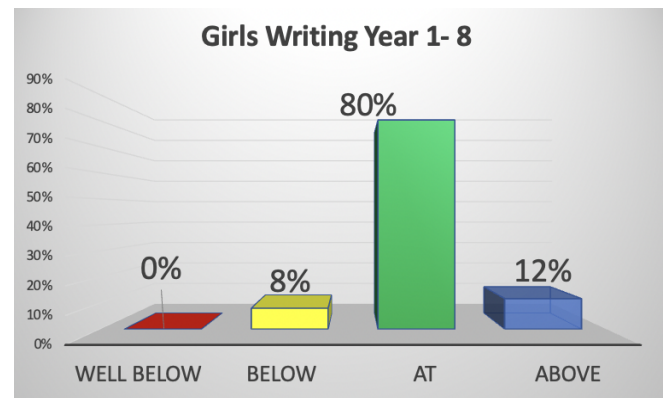
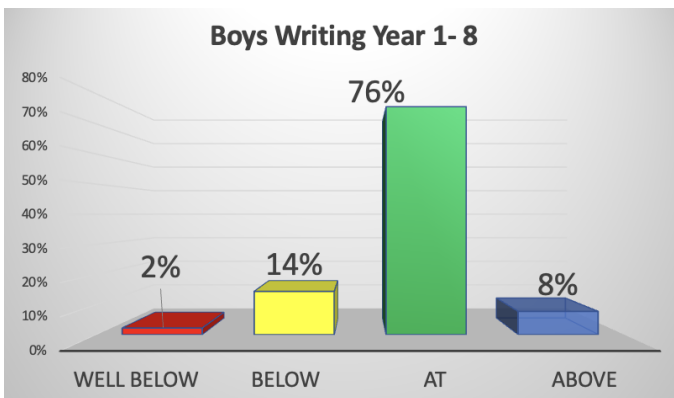
## Boys

## Girls

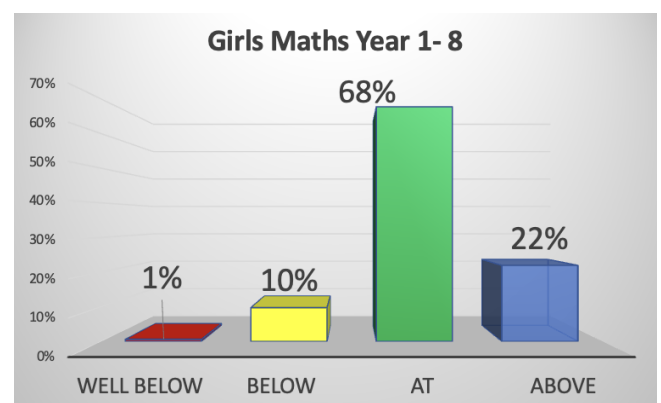
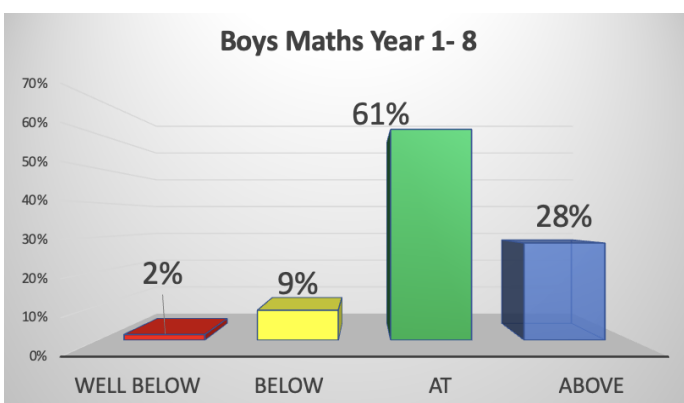
### Reading



### Writing



### Maths

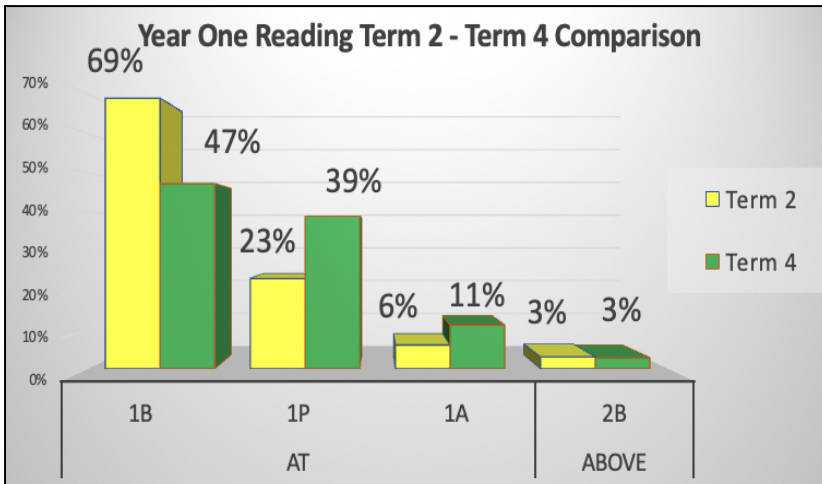


This data shows that the groups are largely commensurate. The girls are performing slightly better in reading and writing. This is typical of how our students have performed in the past. Although our boys are achieving high results in Maths, both boys and girls have 89% above the expectation. Both groups have 20% or more achieving above the expectation in Reading and Maths. We have a couple of boys that receive Ministry support that show up in our 'Well Below' category.



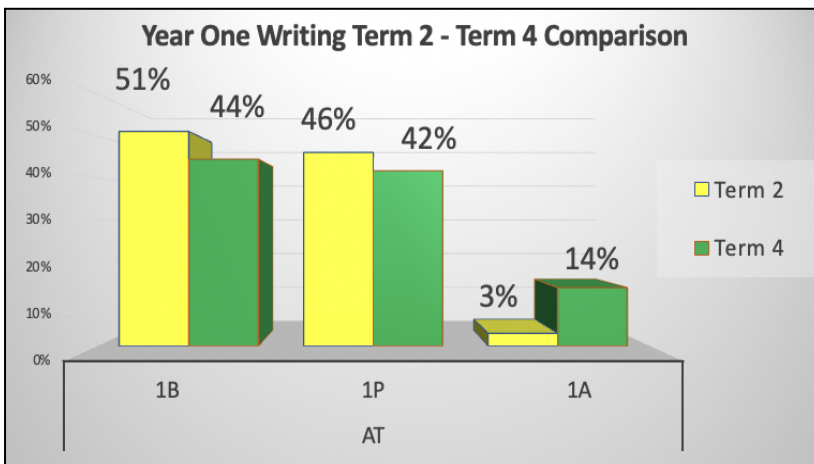
## Year 1

## Trends



All of our Year 1 students are achieving at or above the expected level.

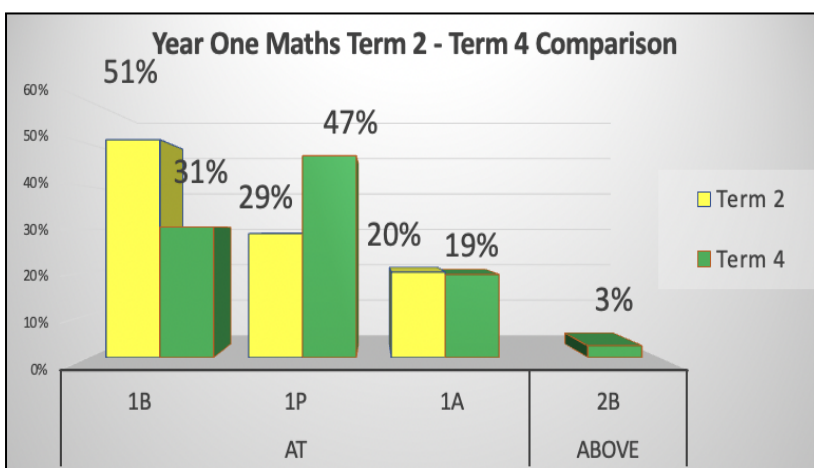
Although the number of students achieving above the expected level has stayed the same, there has been significant progress made within Level 1.



All of our Year 1 students are achieving at the expected level.

No students are achieving above the expected level.

The number of students achieving at the higher end of Level 1 has increased by 11%



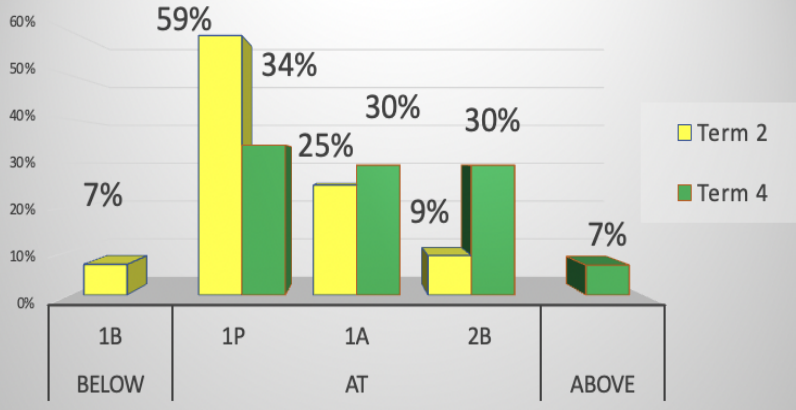
All of our Year 1 students are achieving at or above the expected level.

3% of our students have moved from 'at' to 'above' the expected level.

## Year 2

## Trends

**Year Two Reading Term 2 - Term 4 Comparison**

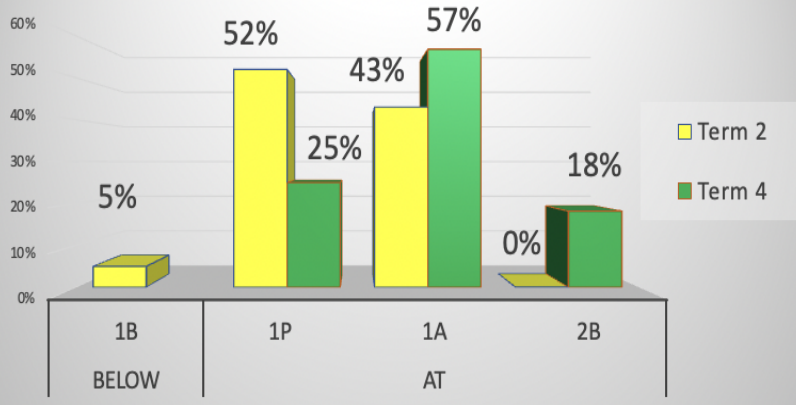


All of our Year 2 students are achieving at or above the expected level.

7% of our students have moved from at to above the expected level.

We have no students working below the expected level at the end of the year.

**Year Two Writing Term 2 - Term 4 Comparison**

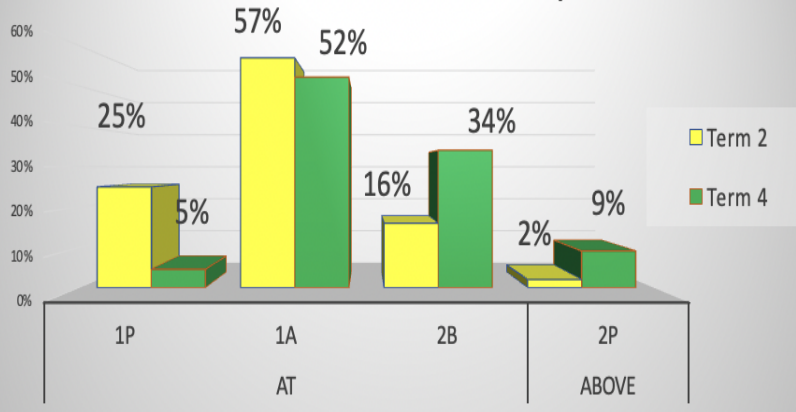


All of our Year 2 students are achieving at or above the expected level.

18% of our students have moved from at to above the expected level.

We have no students working below the expected level at the end of the year.

**Year Two Maths Term 2 - Term 4 Comparison**



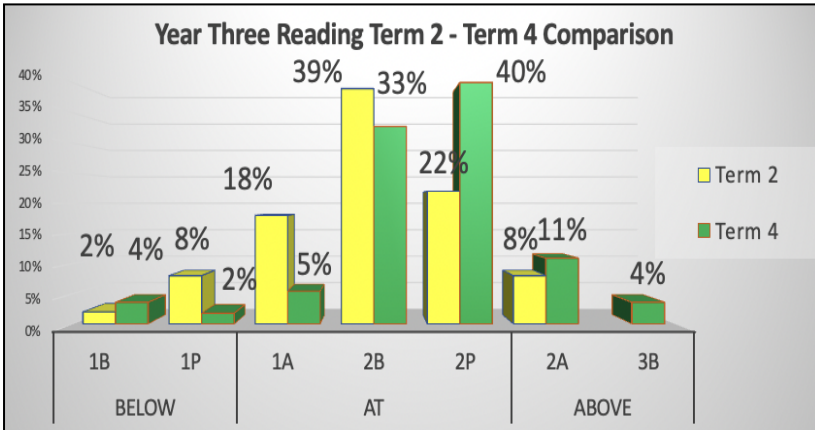
All of our Year 2 students are achieving at or above the expected level in Maths.

9% of our students are achieving above the expected level, which is an increase of 7% from the start of the year.

We have no students working below the expected level at the end of the year, and only 5% working at the lower-end of at the expected level.

## Year 3

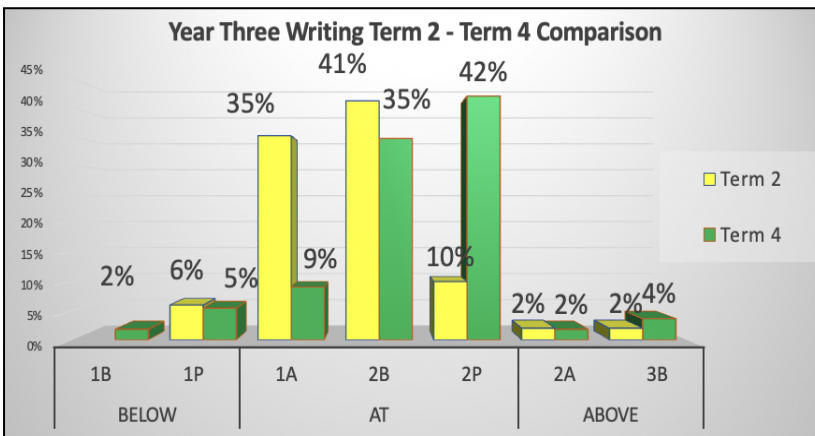
## Trends



93% of students are achieving at or above the expected level.

15% of students are achieving above, which is an increase of 7% from the start of the year.

6% of students are achieving below the expected level. This is a decrease of 4% from the start of the year, where 10% of students were achieving below the expected level.

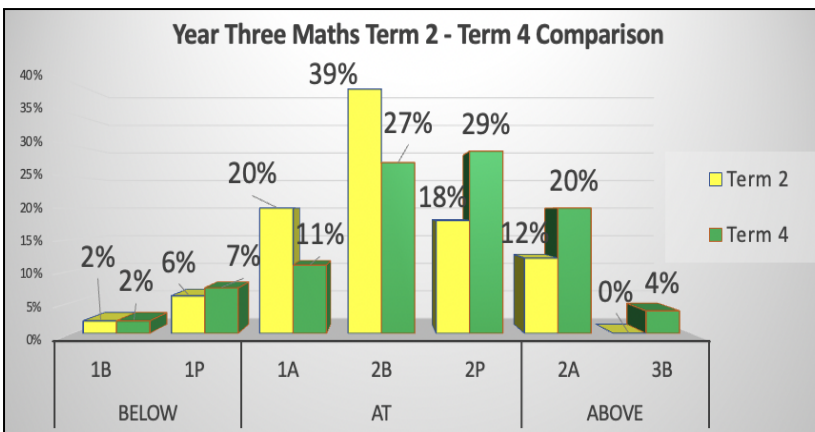


92% of students are achieving at or above the expected level in Writing.

6% of students are achieving above, which is an increase from the start of the year.

7% of students are achieving below the expected level.

There have been two students who came in part way through the year who are included in this data.



91% of students are achieving at or above the expected level.

24% of students are achieving above, which is an increase of 12% from the start of the year.

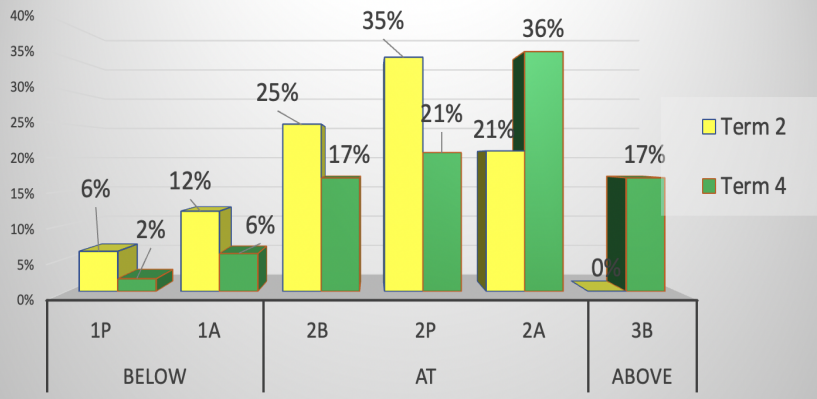
9% of students are achieving below the expected level.

There have been two students who came in part way through the year who are included in this data.

# Year 4

# Trends

**Year Four Reading Term 2 - Term 4 Comparison**

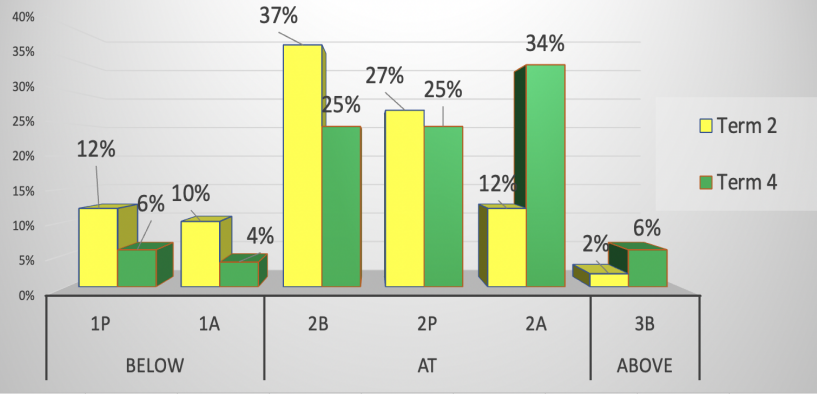


91% of students are achieving at or above the expected Reading level at Year 4.

We have 17% of students achieving above.

8% of students are achieving below the expected level.

**Year Four Writing Term 2 - Term 4 Comparison**

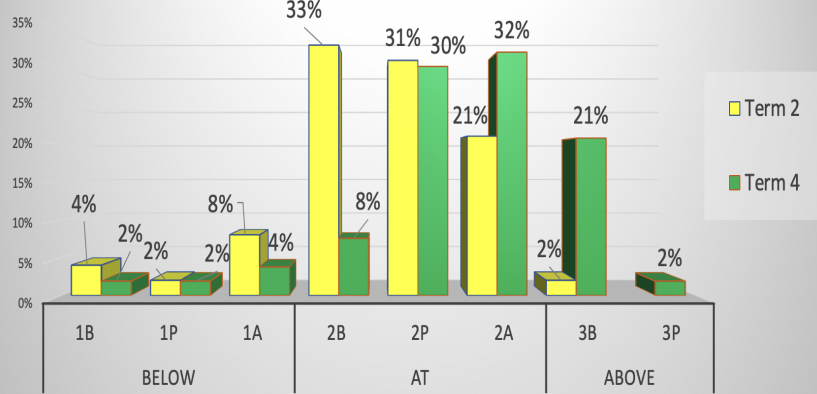


90% of students are achieving at or above the expected Writing level at Year 4.

We only have 6% of students achieving above in this area, a space we can focus on next year.

10% of students are achieving below the expected level.

**Year Four Maths Term 2 - Term 4 Comparison**



93% of students are achieving at or above the expected Maths level at Year 4.

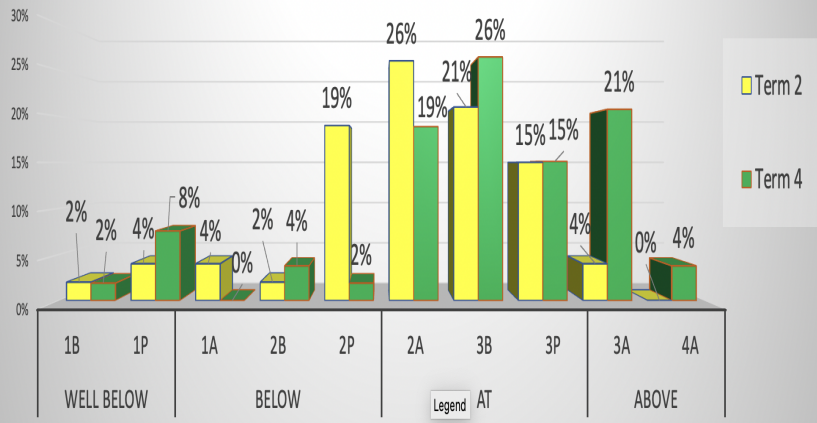
We have 23% of students achieving above.

8% of students are achieving below the expected level.

# Year 5

# Trends

Year Five Reading Term 2 - Term 4 Comparison

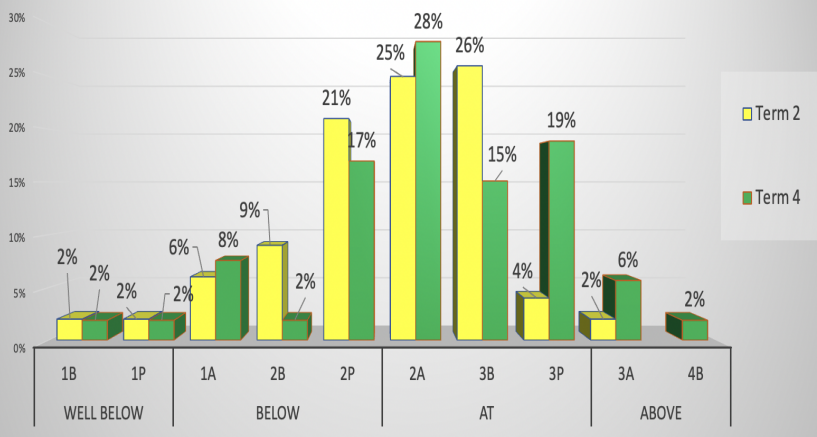


85% of students are achieving at or above the expected Reading level at Year 5.

We have 25% of students achieving above, a very good number.

10% of students are achieving well below the expected level, a real cause for intervention.

Year Five Writing Term 2 - Term 4 Comparison

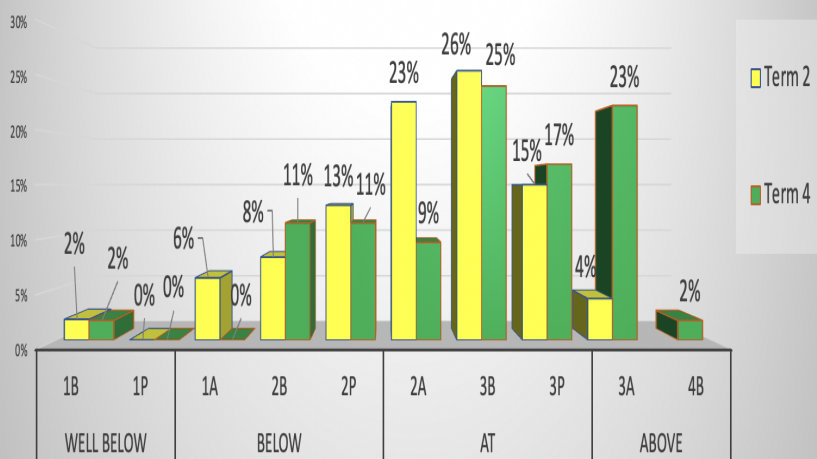


70% of students are achieving at or above the expected Writing level at Year 5.

We have only 8% of students achieving above in this area.

31% of students are achieving below the expected level. An area we will need to focus on in 2024.

Year Five Maths Term 2 - Term 4 Comparison



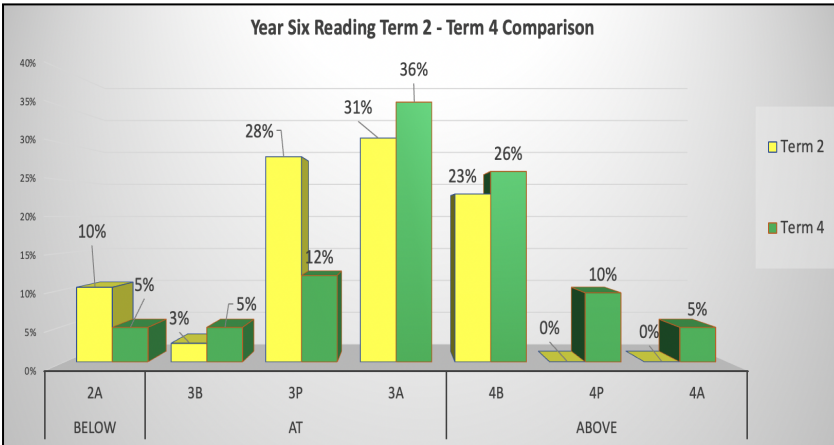
76% of students are achieving at or above the expected Maths level at Year 5.

We have 25% of students achieving above, a great result.

24% of students are achieving below the expected level which is far too many. This will be an area of focus in 2024.

# Year 6

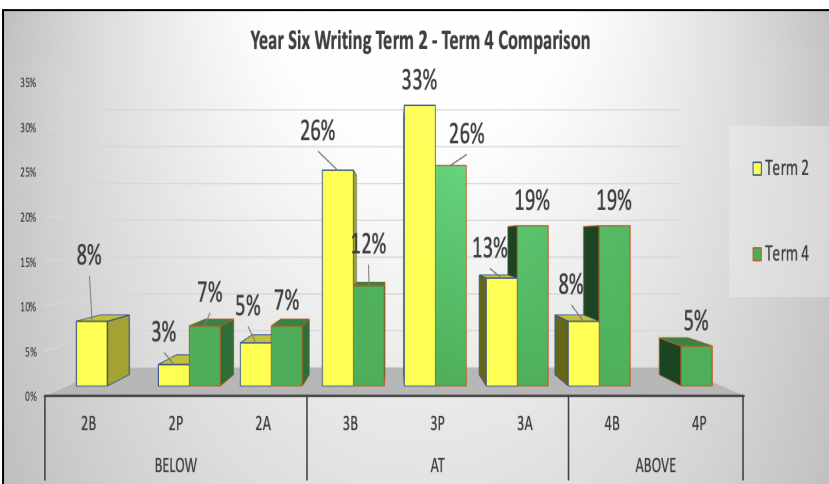
# Trends



94% of students are achieving at or above the expected Reading level at Year 6.

We have an incredible 41% of students achieving above.

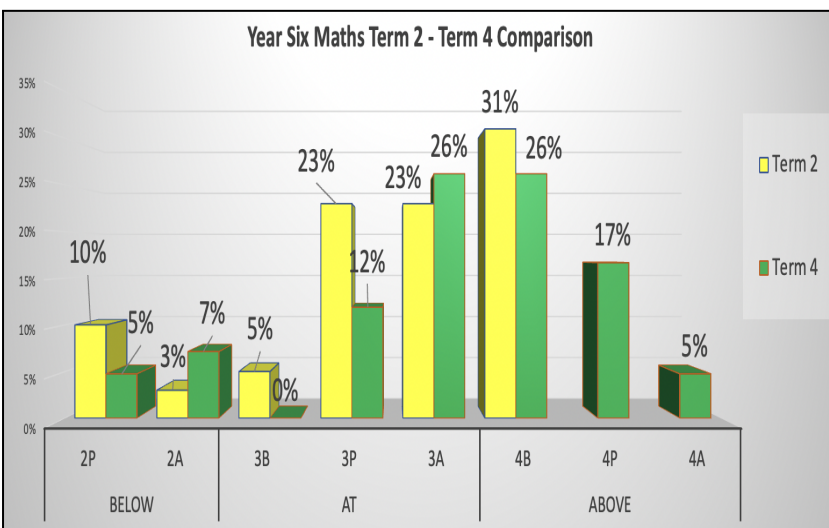
Only 5% of students are achieving below the expected level.



81% of students are achieving at or above the expected Writing level at Year 6.

We have 24% of students achieving above.

14% of students are achieving below the expected level.



86% of students are achieving at or above the expected Maths level at Year 6.

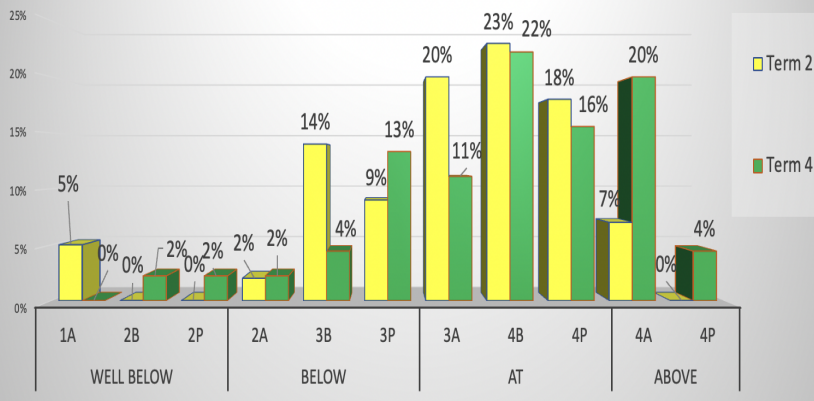
We have an incredible 48% of students achieving above.

12% of students are achieving below the expected level.

# Year 7

# Trends

Year Seven Reading Term 2 - Term 4 Comparison

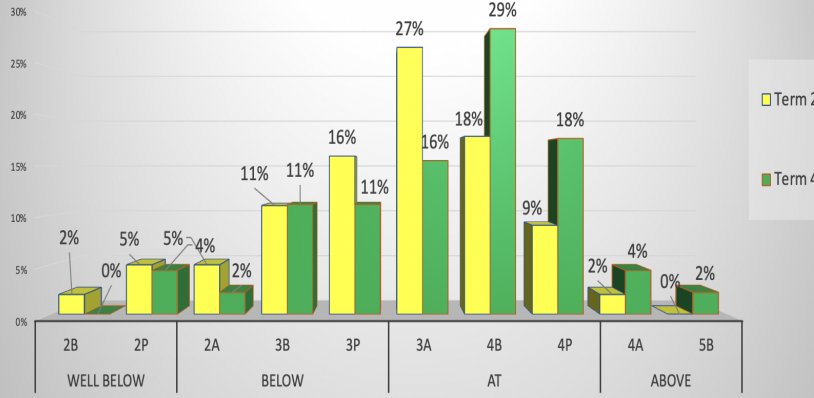


73% of students are achieving at or above the expected Reading level at Year 7. This is a cohort we will need to focus on for 2024.

We do have a pleasing 24% of students achieving above in Reading.

21% of students are achieving below the expected level, which is an area of concern for our school.

Year Seven Writing Term 2 - Term 4 Comparison

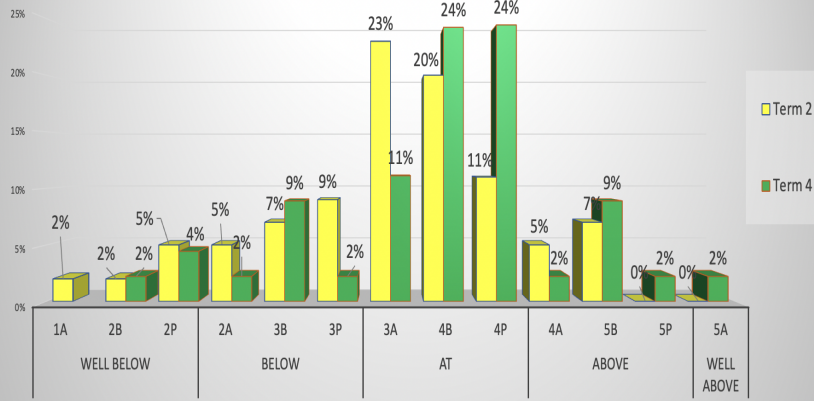


69% of students are achieving at or above the expected Writing level at Year 7. This is a cohort we will need to focus on for 2024.

We only have 6% of students achieving above in this area.

27% of students are achieving below the expected level, which is an area of concern for our school.

Year Seven Maths Term 2 - Term 4 Comparison



74% of students are achieving at or above the expected Maths level at Year 7. This is a cohort we will need to focus on for 2024.

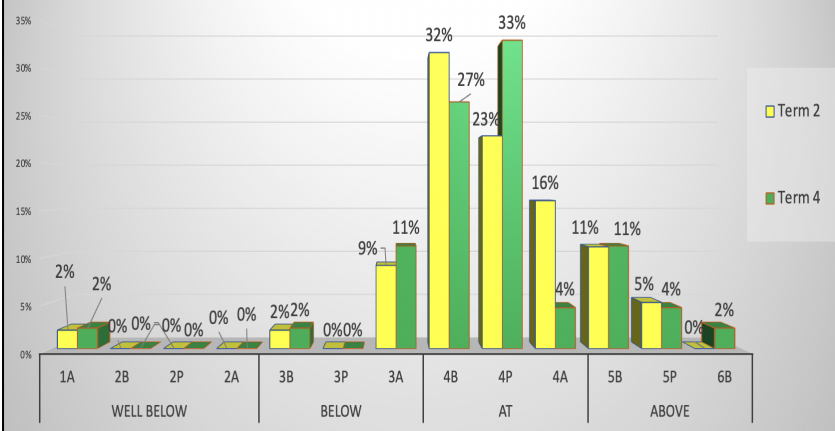
Only 15% of students are achieving above.

19% of students are achieving below the expected level, which is an area of concern for our school.

# Year 8

# Trends

Year Eight Writing Term 2 - Term 4 Comparison

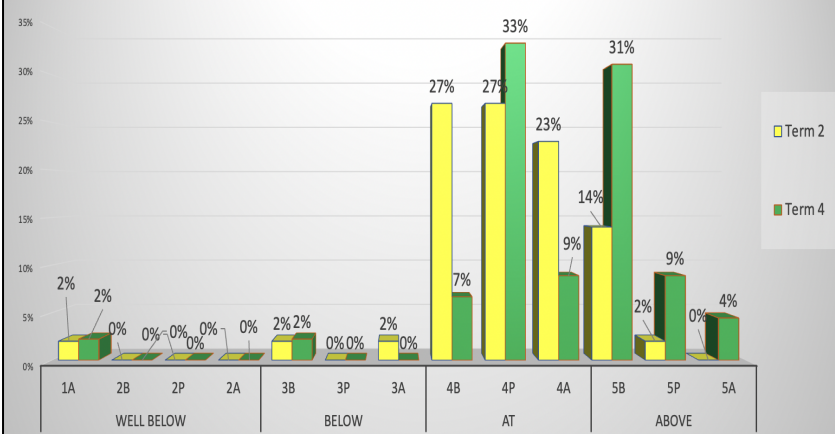


81% of students are achieving at or above the expected Writing level at Year 8.

We have seen a shift in our bell curve, however this has not been enough to meet our targets.

15% of students are achieving below the expected level.

Year Eight Maths Term 2 - Term 4 Comparison

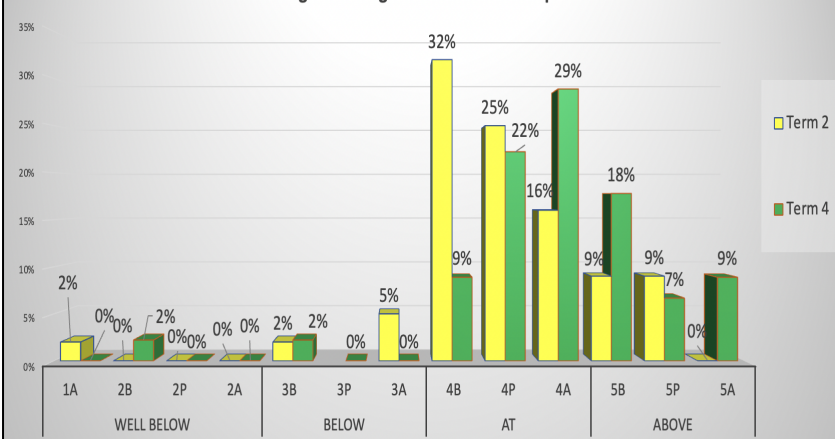


93% of students are achieving at or above the expected Maths level at Year 8, a very pleasing result.

44% of students are achieving above, which is an increase of 28% from the start of the year. This is an incredible result.

4% of students are achieving below the expected level.

Year Eight Reading Term 2 - Term 4 Comparison



94% of students are achieving at or above the expected Reading level at Year 8, a very pleasing result.

34% of students are achieving above, which is an increase of 16% from the start of the year.

4% of students are achieving below the expected level.



# MAUNGARAKI SCHOOL

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

**Ministry Number:** 2968

**Principal:** Shane Robinson

**School Address:** 137 Dowse Drive, Maungaraki

**School Postal Address:** 137 Dowse Drive, Maungaraki, Lower Hutt, 5010

**School Phone:** 04 569 7205

**School Email:** [office@maungarakischool.net](mailto:office@maungarakischool.net)

**Accountant / Service Provider:**

**Education } Services.**  
*Dedicated to your school*

# MAUNGARAKI SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

## Index

| <b>Page</b> | <b>Statement</b>                               |
|-------------|--|
| 1           | Statement of Responsibility                    |
| 2           | Statement of Comprehensive Revenue and Expense |
| 3           | Statement of Changes in Net Assets/Equity      |
| 4           | Statement of Financial Position                |
| 5           | Statement of Cash Flows                        |
| 6 - 21      | Notes to the Financial Statements              |
|             | Independent Auditor's Report                   |

# Maungaraki 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.

Aaron Jason Moore

Full Name of Presiding Member

Shane Robinson

Full Name of Principal



Signature of Presiding Member



Signature of Principal

21.5.24

Date:

21/5/24

Date:

# MAUNGARAKI SCHOOL

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

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# MAUNGARAKI SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

## Index

| <b>Page</b> | <b>Statement</b>                               |
|-------------|--|
| 1           | Statement of Responsibility                    |
| 2           | Statement of Comprehensive Revenue and Expense |
| 3           | Statement of Changes in Net Assets/Equity      |
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Aaron Jason Moore

Full Name of Presiding Member

Shane Robinson

Full Name of Principal



Signature of Presiding Member



Signature of Principal

21.5.24

Date:

21/5/24

Date:

**Maungaraki School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2023

|   |       | 2023             | 2023             | 2022             |
|---|-------|------------------|------------------|------------------|
|   | Notes | Actual           | Budget           | Actual           |
|   |       | \$               | (Unaudited)      | \$               |
|   |       |                  | \$               |                  |
| <b>Revenue</b>  |       |                  |                  |                  |
| Government Grants   | 2     | 3,290,048        | 2,843,265        | 3,054,165        |
| Locally Raised Funds  | 3     | 190,805          | 158,000          | 185,248          |
| Interest  |       | 18,593           | 3,000            | 7,755            |
| <b>Total Revenue</b>  |       | <b>3,499,446</b> | <b>3,004,265</b> | <b>3,247,168</b> |
| <b>Expense</b>  |       |                  |                  |                  |
| Locally Raised Funds  | 3     | 48,433           | 2,200            | 41,077           |
| Learning Resources  | 4     | 2,601,920        | 2,308,029        | 2,374,007        |
| Administration  | 5     | 181,182          | 183,832          | 190,727          |
| Interest  |       | 3,952            | 3,000            | 4,409            |
| Property  | 6     | 656,419          | 505,539          | 564,845          |
| Loss on Disposal of Property, Plant and Equipment           |       | 1,220            | -                | 6,291            |
| <b>Total Expense</b>  |       | <b>3,493,126</b> | <b>3,002,600</b> | <b>3,181,356</b> |
| <b>Net Surplus / (Deficit) for the year</b>                 |       | <b>6,320</b>     | <b>1,665</b>     | <b>65,812</b>    |
| Other Comprehensive Revenue and Expense                     |       | -                | -                | -                |
| <b>Total Comprehensive Revenue and Expense for the Year</b> |       | <b>6,320</b>     | <b>1,665</b>     | <b>65,812</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.

**Maungaraki School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2023

|  | Notes | 2023<br>Actual<br>\$ | 2023<br>Budget<br>(Unaudited)<br>\$ | 2022<br>Actual<br>\$ |
|--|-------|----------------------|-------------------------------------|----------------------|
| <b>Equity at 1 January</b>                           |       | 595,055              | 443,933                             | 472,597              |
| Total comprehensive revenue and expense for the year |       | 6,320                | 1,665                               | 65,812               |
| Contribution - Furniture and Equipment Grant         |       | 19,215               | -                                   | 56,646               |
| <b>Equity at 31 December</b>                         |       | 620,590              | 445,598                             | 595,055              |
| Accumulated comprehensive revenue and expense        |       | 620,590              | 445,598                             | 595,055              |
| <b>Equity at 31 December</b>                         |       | 620,590              | 445,598                             | 595,055              |

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.



## Maungaraki School Statement of Financial Position

As at 31 December 2023

|   |       | 2023                  | 2023                        | 2022                  |
|---|-------|-----------------------|-----------------------------|-----------------------|
|   | Notes | Actual<br>\$          | Budget<br>(Unaudited)<br>\$ | Actual<br>\$          |
| <b>Current Assets</b>                       |       |                       |                             |                       |
| Cash and Cash Equivalents                   | 7     | 91,413                | 29,184                      | 290,599               |
| Accounts Receivable                         | 8     | 159,274               | 173,286                     | 208,928               |
| GST Receivable                              |       | 11,806                | 18,784                      | -                     |
| Prepayments                                 |       | 20,406                | 18,104                      | 18,253                |
| Inventories                                 | 9     | 13,039                | 14,921                      | 11,783                |
| Investments                                 | 10    | 325,027               | -                           | 365,734               |
| Funds Receivable for Capital Works Projects | 17    | 5,990                 | -                           | 23,266                |
|   |       | <u>626,955</u>        | <u>254,279</u>              | <u>918,563</u>        |
| <b>Current Liabilities</b>                  |       |                       |                             |                       |
| GST Payable                                 |       | -                     | -                           | 25,197                |
| Accounts Payable                            | 12    | 176,010               | 173,286                     | 195,344               |
| Revenue Received in Advance                 | 13    | 8,881                 | 10,000                      | 244,711               |
| Provision for Cyclical Maintenance          | 14    | 38,788                | 23,258                      | 36,440                |
| Finance Lease Liability                     | 15    | 12,605                | 9,205                       | 9,113                 |
| Funds held in Trust                         | 16    | 16,070                | -                           | 31,550                |
| Funds held for Capital Works Projects       | 17    | 39,407                | -                           | 36,000                |
|   |       | <u>291,761</u>        | <u>215,749</u>              | <u>578,355</u>        |
| <b>Working Capital Surplus/(Deficit)</b>    |       | <b>335,194</b>        | <b>38,530</b>               | <b>340,208</b>        |
| <b>Non-current Assets</b>                   |       |                       |                             |                       |
| Property, Plant and Equipment               | 11    | 373,683               | 437,108                     | 328,374               |
|   |       | <u>373,683</u>        | <u>437,108</u>              | <u>328,374</u>        |
| <b>Non-current Liabilities</b>              |       |                       |                             |                       |
| Provision for Cyclical Maintenance          | 14    | 72,732                | 15,893                      | 59,300                |
| Finance Lease Liability                     | 15    | 15,555                | 14,147                      | 14,227                |
|   |       | <u>88,287</u>         | <u>30,040</u>               | <u>73,527</u>         |
| <b>Net Assets</b>                           |       | <u><u>620,590</u></u> | <u><u>445,598</u></u>       | <u><u>595,055</u></u> |
| <b>Equity</b>                               |       | <u><u>620,590</u></u> | <u><u>445,598</u></u>       | <u><u>595,055</u></u> |

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

**Maungaraki School**  
**Statement of Cash Flows**  
For the year ended 31 December 2023

|   |          | 2023             | 2023            | 2022           |
|---|----------|------------------|-----------------|----------------|
|   | Note     | Actual           | Budget          | Actual         |
|   |          | \$               | (Unaudited)     | \$             |
|   |          |                  | \$              |                |
| <b>Cash flows from Operating Activities</b>                 |          |                  |                 |                |
| Government Grants   |          | 694,082          | 704,840         | 739,339        |
| Locally Raised Funds  |          | (25,749)         | 158,000         | 356,347        |
| Goods and Services Tax (net)                                |          | (37,003)         | -               | 43,981         |
| Payments to Employees                                       |          | (433,030)        | (455,410)       | (382,384)      |
| Payments to Suppliers                                       |          | (358,974)        | (131,785)       | (354,132)      |
| Interest Paid   |          | (3,952)          | (3,000)         | (4,409)        |
| Interest Received   |          | 16,251           | 3,000           | 4,747          |
| Net cash from/(to) Operating Activities                     |          | (148,375)        | 275,645         | 403,489        |
| <b>Cash flows from Investing Activities</b>                 |          |                  |                 |                |
| Purchase of Property Plant & Equipment (and Intangibles)    |          | (113,979)        | (298,000)       | (90,835)       |
| Purchase of Investments                                     |          | (12,355)         | -               | (163,508)      |
| Proceeds from Sale of Investments                           |          | 53,063           | -               | -              |
| Net cash from/(to) Investing Activities                     |          | (73,271)         | (298,000)       | (254,343)      |
| <b>Cash flows from Financing Activities</b>                 |          |                  |                 |                |
| Furniture and Equipment Grant                               |          | 19,215           | -               | 56,646         |
| Finance Lease Payments                                      |          | (7,708)          | (10,456)        | (6,697)        |
| Funds Administered on Behalf of Other Parties               |          | 10,953           | -               | 29,509         |
| Net cash from/(to) Financing Activities                     |          | 22,460           | (10,456)        | 79,458         |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |          | <b>(199,186)</b> | <b>(32,811)</b> | <b>228,604</b> |
| Cash and cash equivalents at the beginning of the year      | 7        | 290,599          | 61,995          | 61,995         |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>7</b> | <b>91,413</b>    | <b>29,184</b>   | <b>290,599</b> |

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

# Maungaraki School

## Notes to the Financial Statements

### For the year ended 31 December 2023

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Maungaraki 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 14.

#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

#### **Critical Judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. 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 22b.

##### *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) Inventories**

Inventories are consumable items held for sale and comprised of T Shirts / Sunhats. 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   |
| Furniture and Equipment                  | 5-10 years    |
| Information and Communication Technology | 3-13 years    |
| Library Resources                        | 8 years DV    |
| Leased assets held under a Finance Lease | Term of Lease |

### **k) Intangible Assets**

#### *Software costs*

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

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

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

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

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 a 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 the surplus or deficit.

The reversal of an impairment loss is recognised in the 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.

### **m) Accounts Payable**

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

#### **n) Employee Entitlements**

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

Employee 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, annual leave earned, by non teaching staff, to 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.

#### **o) 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 students, should the School be unable to provide the services to which they relate.

#### **p) 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.

#### **q) 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.

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

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts 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.

**s) Provision for Cyclical Maintenance**

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

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

**t) 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.

**u) Borrowings**

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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



## 2. Government Grants

|   | 2023             | 2023             | 2022             |
|---|------------------|------------------|------------------|
|   | Actual           | Budget           | Actual           |
|   | \$               | (Unaudited)      | \$               |
| Government Grants - Ministry of Education | 709,931          | 708,718          | 737,203          |
| Teachers' Salaries Grants                 | 2,076,845        | 1,775,426        | 1,949,202        |
| Use of Land and Buildings Grants          | 485,088          | 358,621          | 367,127          |
| Other Government Grants                   | 18,184           | 500              | 633              |
|   | <u>3,290,048</u> | <u>2,843,265</u> | <u>3,054,165</u> |

## 3. Locally Raised Funds

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

|  | 2023           | 2023           | 2022           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| <b>Revenue</b>                                   |                |                |                |
| Donations & Bequests                             | 96,425         | 108,000        | 99,972         |
| Fees for Extra Curricular Activities             | 33,546         | 15,000         | 36,953         |
| Trading  | 4,505          | -              | 3,848          |
| Fundraising & Community Grants                   | 56,329         | 35,000         | 44,475         |
|  | <u>190,805</u> | <u>158,000</u> | <u>185,248</u> |
| <b>Expense</b>                                   |                |                |                |
| Extra Curricular Activities Costs                | 23,414         | 2,200          | 32,052         |
| Trading  | 6,807          | -              | 3,404          |
| Fundraising & Community Grant Costs              | 18,212         | -              | 5,621          |
|  | <u>48,433</u>  | <u>2,200</u>   | <u>41,077</u>  |
| <i>Surplus for the year Locally raised funds</i> | <u>142,372</u> | <u>155,800</u> | <u>144,171</u> |

## 4. Learning Resources

|                              | 2023             | 2023             | 2022             |
|------------------------------|------------------|------------------|------------------|
|                              | Actual           | Budget           | Actual           |
|                              | \$               | (Unaudited)      | \$               |
| Curricular                   | 87,725           | 116,700          | 99,336           |
| Library Resources            | 4,514            | 3,000            | 292              |
| Employee Benefits - Salaries | 2,400,217        | 2,100,426        | 2,189,860        |
| Staff Development            | 25,986           | 24,500           | 14,626           |
| Depreciation                 | 83,478           | 63,403           | 69,893           |
|                              | <u>2,601,920</u> | <u>2,308,029</u> | <u>2,374,007</u> |

## 5. Administration

|  | 2023           | 2023           | 2022           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| Audit Fees                                     | 7,642          | 7,642          | 7,419          |
| Board Fees                                     | 3,310          | 4,300          | 3,825          |
| Board Expenses                                 | 4,807          | 5,500          | 8,706          |
| Communication                                  | 2,215          | 3,100          | 3,119          |
| Consumables                                    | 9,616          | 14,000         | 9,145          |
| Operating Leases                               | 45             | -              | -              |
| Other  | 35,062         | 41,500         | 39,855         |
| Employee Benefits - Salaries                   | 97,893         | 88,290         | 99,796         |
| Insurance                                      | 6,072          | 6,500          | 5,542          |
| Service Providers, Contractors and Consultancy | 14,520         | 13,000         | 13,320         |
|  | <u>181,182</u> | <u>183,832</u> | <u>190,727</u> |

## 6. Property

|                                     | 2023           | 2023           | 2022           |
|-------------------------------------|----------------|----------------|----------------|
|                                     | Actual         | Budget         | Actual         |
|                                     | \$             | (Unaudited)    | \$             |
| Caretaking and Cleaning Consumables | 12,196         | 11,300         | 12,619         |
| Consultancy and Contract Services   | 44,260         | 32,000         | 29,210         |
| Cyclical Maintenance Provision      | 15,780         | 9,798          | 42,204         |
| Heat, Light and Water               | 12,786         | 11,400         | 12,802         |
| Rates                               | 4,508          | 3,000          | 3,011          |
| Repairs and Maintenance             | 24,681         | 23,500         | 42,927         |
| Use of Land and Buildings           | 485,088        | 358,621        | 367,127        |
| Security                            | 2,953          | 3,800          | 3,444          |
| Employee Benefits - Salaries        | 44,404         | 42,120         | 43,235         |
| Hall                                | 9,763          | 10,000         | 8,266          |
|                                     | <u>656,419</u> | <u>505,539</u> | <u>564,845</u> |

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          | 2023          | 2022           |
|---|---------------|---------------|----------------|
|   | Actual        | Budget        | Actual         |
|   | \$            | (Unaudited)   | \$             |
| Bank Accounts   | 91,413        | 29,184        | 290,599        |
| Cash and cash equivalents for Statement of Cash Flows | <u>91,413</u> | <u>29,184</u> | <u>290,599</u> |

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

Of the \$91,413 Cash and Cash Equivalents \$39,407 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**

|  | <b>2023</b>    | <b>2023</b>        | <b>2022</b>    |
|--|----------------|--------------------|----------------|
|  | <b>Actual</b>  | <b>Budget</b>      | <b>Actual</b>  |
|  | <b>\$</b>      | <b>(Unaudited)</b> | <b>\$</b>      |
| Receivables                                | 3,120          | 19,561             | 26,678         |
| Interest Receivable                        | 5,789          | 439                | 3,447          |
| Teacher Salaries Grant Receivable          | 150,365        | 153,286            | 178,803        |
|  | <b>159,274</b> | <b>173,286</b>     | <b>208,928</b> |
| Receivables from Exchange Transactions     | 8,909          | 20,000             | 30,125         |
| Receivables from Non-Exchange Transactions | 150,365        | 153,286            | 178,803        |
|  | <b>159,274</b> | <b>173,286</b>     | <b>208,928</b> |

**9. Inventories**

|                    | <b>2023</b>   | <b>2023</b>        | <b>2022</b>   |
|--------------------|---------------|--------------------|---------------|
|                    | <b>Actual</b> | <b>Budget</b>      | <b>Actual</b> |
|                    | <b>\$</b>     | <b>(Unaudited)</b> | <b>\$</b>     |
| T Shirts / Sunhats | 13,039        | 14,921             | 11,783        |
|                    | <b>13,039</b> | <b>14,921</b>      | <b>11,783</b> |

**10. Investments**

The School's investment activities are classified as follows:

|                          | <b>2023</b>    | <b>2023</b>        | <b>2022</b>    |
|--------------------------|----------------|--------------------|----------------|
|                          | <b>Actual</b>  | <b>Budget</b>      | <b>Actual</b>  |
|                          | <b>\$</b>      | <b>(Unaudited)</b> | <b>\$</b>      |
| Current Asset            |                |                    |                |
| Short-term Bank Deposits | 325,027        | -                  | 365,734        |
| Total Investments        | <b>325,027</b> | <b>-</b>           | <b>365,734</b> |

## 11. Property, Plant and Equipment

|  | Opening<br>Balance<br>(NBV)<br>\$ | Additions<br>\$ | Disposals<br>\$ | Impairment<br>\$ | Depreciation<br>\$ | Total (NBV)<br>\$ |
|--|-----------------------------------|-----------------|-----------------|------------------|--------------------|-------------------|
| <b>2023</b>                              |                                   |                 |                 |                  |                    |                   |
| Building Improvements                    | 37,886                            | 11,539          | -               | -                | (1,575)            | <b>47,849</b>     |
| Furniture and Equipment                  | 187,339                           | 76,300          | -               | -                | (40,000)           | <b>223,638</b>    |
| Information and Communication Technology | 79,088                            | 23,590          | -               | -                | (29,275)           | <b>73,403</b>     |
| Motor Vehicles                           | 1,916                             | -               | -               | -                | (578)              | <b>1,338</b>      |
| Leased Assets                            | 20,317                            | 18,578          | -               | -                | (11,820)           | <b>27,074</b>     |
| Library Resources                        | 1,828                             | -               | (1,220)         | -                | (230)              | <b>381</b>        |
| <b>Balance at 31 December 2023</b>       | <b>328,374</b>                    | <b>130,007</b>  | <b>(1,220)</b>  | <b>-</b>         | <b>(83,478)</b>    | <b>373,683</b>    |

The net carrying value of equipment held under a finance lease is \$27,074 (2022: \$20,317)

### 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<br>Cost or<br>Valuation<br>\$ | 2023<br>Accumulated<br>Depreciation<br>\$ | 2023<br>Net Book<br>Value<br>\$ | 2022<br>Cost or<br>Valuation<br>\$ | 2022<br>Accumulated<br>Depreciation<br>\$ | 2022<br>Net Book<br>Value<br>\$ |
|--|------------------------------------|---|---------------------------------|------------------------------------|---|---------------------------------|
| Building Improvements                    | 65,855                             | (18,006)                                  | <b>47,849</b>                   | 54,317                             | (16,431)                                  | <b>37,886</b>                   |
| Furniture and Equipment                  | 475,585                            | (251,947)                                 | <b>223,638</b>                  | 399,284                            | (211,945)                                 | <b>187,339</b>                  |
| Information and Communication Technology | 199,547                            | (126,144)                                 | <b>73,403</b>                   | 178,957                            | (99,869)                                  | <b>79,088</b>                   |
| Motor Vehicles                           | 5,780                              | (4,442)                                   | <b>1,338</b>                    | 5,780                              | (3,864)                                   | <b>1,916</b>                    |
| Leased Assets                            | 46,537                             | (19,463)                                  | <b>27,074</b>                   | 39,939                             | (19,622)                                  | <b>20,317</b>                   |
| Library Resources                        | 514                                | (133)                                     | <b>381</b>                      | 3,581                              | (1,753)                                   | <b>1,828</b>                    |
| <b>Balance at 31 December</b>            | <b>793,818</b>                     | <b>(420,135)</b>                          | <b>373,683</b>                  | <b>681,858</b>                     | <b>(353,484)</b>                          | <b>328,374</b>                  |

**12. Accounts Payable**

|                                       | <b>2023</b>    | <b>2023</b>        | <b>2022</b>    |
|---------------------------------------|----------------|--------------------|----------------|
|                                       | <b>Actual</b>  | <b>Budget</b>      | <b>Actual</b>  |
|                                       | <b>\$</b>      | <b>(Unaudited)</b> | <b>\$</b>      |
| Creditors                             | 11,074         | 8,247              | 5,959          |
| Accruals                              | 7,642          | 7,204              | 4,452          |
| Employee Entitlements - Salaries      | 150,365        | 153,286            | 178,803        |
| Employee Entitlements - Leave Accrual | 6,929          | 4,549              | 6,130          |
|                                       | <u>176,010</u> | <u>173,286</u>     | <u>195,344</u> |
| <br>                                  |                |                    |                |
| Payables for Exchange Transactions    | 176,010        | 173,286            | 195,344        |
|                                       | <u>176,010</u> | <u>173,286</u>     | <u>195,344</u> |

The carrying value of payables approximates their fair value.

**13. Revenue Received in Advance**

|                       | <b>2023</b>   | <b>2023</b>        | <b>2022</b>    |
|-----------------------|---------------|--------------------|----------------|
|                       | <b>Actual</b> | <b>Budget</b>      | <b>Actual</b>  |
|                       | <b>\$</b>     | <b>(Unaudited)</b> | <b>\$</b>      |
| Income in Advance     | 319           | 10,000             | 129,511        |
| MOE Grants in Advance | 4,282         | -                  | -              |
| Funds Held In Advance | 4,280         | -                  | 115,200        |
|                       | <u>8,881</u>  | <u>10,000</u>      | <u>244,711</u> |

**14. Provision for Cyclical Maintenance**

|   | <b>2023</b>    | <b>2023</b>        | <b>2022</b>   |
|---|----------------|--------------------|---------------|
|   | <b>Actual</b>  | <b>Budget</b>      | <b>Actual</b> |
|   | <b>\$</b>      | <b>(Unaudited)</b> | <b>\$</b>     |
| Provision at the Start of the Year        | 95,740         | 29,353             | 53,536        |
| Increase to the Provision During the Year | 12,844         | 9,798              | 13,135        |
| Other Adjustments                         | 2,936          | -                  | 29,069        |
|   | <u>111,520</u> | <u>39,151</u>      | <u>95,740</u> |
| <br>                                      |                |                    |               |
| Cyclical Maintenance - Current            | 38,788         | 23,258             | 36,440        |
| Cyclical Maintenance - Non current        | 72,732         | 15,893             | 59,300        |
|   | <u>111,520</u> | <u>39,151</u>      | <u>95,740</u> |

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan / painting quotes.

**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:

|  | <b>2023</b>   | <b>2023</b>        | <b>2022</b>   |
|--|---------------|--------------------|---------------|
|  | <b>Actual</b> | <b>Budget</b>      | <b>Actual</b> |
|  | <b>\$</b>     | <b>(Unaudited)</b> | <b>\$</b>     |
| No Later than One Year                           | 15,586        | 9,205              | 12,310        |
| Later than One Year and no Later than Five Years | 17,354        | 14,147             | 17,355        |
| Future Finance Charges                           | (4,780)       | -                  | (6,325)       |
|  | <b>28,160</b> | <b>23,352</b>      | <b>23,340</b> |
|  | <b>28,160</b> | <b>23,352</b>      | <b>23,340</b> |

**Represented by**

|                                       |               |               |               |
|---------------------------------------|---------------|---------------|---------------|
| Finance lease liability - Current     | 12,605        | 9,205         | 9,113         |
| Finance lease liability - Non current | 15,555        | 14,147        | 14,227        |
|                                       | <b>28,160</b> | <b>23,352</b> | <b>23,340</b> |
|                                       | <b>28,160</b> | <b>23,352</b> | <b>23,340</b> |

**16. Funds held in Trust**

|  | <b>2023</b>   | <b>2023</b>        | <b>2022</b>   |
|--|---------------|--------------------|---------------|
|  | <b>Actual</b> | <b>Budget</b>      | <b>Actual</b> |
|  | <b>\$</b>     | <b>(Unaudited)</b> | <b>\$</b>     |
| Funds Held in Trust on Behalf of Third Parties - Current     | 16,070        | -                  | 31,550        |
| Funds Held in Trust on Behalf of Third Parties - Non-current | -             | -                  | -             |
|  | <b>16,070</b> | <b>-</b>           | <b>31,550</b> |
|  | <b>16,070</b> | <b>-</b>           | <b>31,550</b> |

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure 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 projects is included under cash and cash equivalents in note 7.

| 2023   | Project No.                           | Opening Balances<br>\$ | Receipts from MoE<br>\$ | Payments<br>\$ | Board Contributions | Closing Balances<br>\$ |         |
|--------|---------------------------------------|------------------------|-------------------------|----------------|---------------------|------------------------|---------|
| 222899 | SIP-Deck, Playground, Blk A Refurbish | 222899                 | (22,776)                | (22,499)       | 45,275              | -                      | -       |
| 222903 | Bike & Equip Store                    | 222903                 | 36,000                  | -              | (32,593)            | -                      | 3,407   |
| 230180 | Blk A Roof Coverings                  | 230180                 | (490)                   | -              | -                   | -                      | (490)   |
| 221676 | Carpark/Library Project               | 221676                 | -                       | 44,500         | (50,000)            | -                      | (5,500) |
| 238260 | Boiler Removal                        | 238260                 | -                       | 63,752         | (63,752)            | -                      | -       |
| 230183 | SIP Playground Stage II               | 230183                 | -                       | 38,237         | (38,237)            | -                      | -       |
| 245431 | Replace Aging Timber Windows          | 245431                 | -                       | 36,000         | -                   | -                      | 36,000  |
| Totals |                                       |                        | 12,734                  | 159,990        | (139,307)           | -                      | 33,417  |

### Represented by:

|   |         |
|---|---------|
| Funds Held on Behalf of the Ministry of Education | 39,407  |
| Funds Receivable from the Ministry of Education   | (5,990) |

| 2022   | Project No.                           | Opening Balances<br>\$ | Receipts from MoE<br>\$ | Payments<br>\$ | Board Contributions | Closing Balances<br>\$ |          |
|--------|---------------------------------------|------------------------|-------------------------|----------------|---------------------|------------------------|----------|
| 222899 | SIP-Deck, Playground, Blk A Refurbish | 222899                 | 3,789                   | (47,000)       | 20,435              | -                      | (22,776) |
| 230181 | Heating Blk A, B, C,                  | 230181                 | (6,585)                 | 4,765          | 1,820               | -                      | -        |
| 222903 | Bike & Equip Store                    | 222903                 | -                       | 36,000         | -                   | -                      | 36,000   |
| 230190 | Blk A Outdoor Learning Area           | 230190                 | -                       | 52,483         | (52,483)            | -                      | -        |
| 230180 | Blk A Roof Coverings                  | 230180                 | -                       | -              | (490)               | -                      | (490)    |
| Totals |                                       |                        | (2,796)                 | 46,248         | (30,718)            | -                      | 12,734   |

### Represented by:

|   |          |
|---|----------|
| Funds Held on Behalf of the Ministry of Education | 36,000   |
| Funds Receivable from the Ministry of Education   | (23,266) |

## 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 conditions 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<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|---|----------------------|----------------------|
| <i>Board Members</i>                        |                      |                      |
| Remuneration                                | 3,310                | 3,825                |
| <i>Leadership Team</i>                      |                      |                      |
| Remuneration                                | 772,162              | 578,432              |
| Full-time equivalent members                | 7.00                 | 5.44                 |
| Total key management personnel remuneration | 775,472              | 582,257              |

There are 6 members of the Board excluding the Principal. The Board has held 9 full meetings of the Board in the year. The Board also has Finance (1 members) and Property (1 members) committees that met 8 and 8 times respectively. 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

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

|  | 2023<br>Actual<br>\$000 | 2022<br>Actual<br>\$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: |                         |                         |
| Salary and Other Payments                        | 150 - 160               | 140 - 150               |
| Benefits and Other Emoluments                    | 4 - 5                   | 4 - 5                   |
| Termination Benefits                             | -                       | -                       |

### Other Employees

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

| Remuneration<br>\$000 | 2023<br>FTE Number | 2022<br>FTE Number |
|-----------------------|--------------------|--------------------|
| 100 - 110             | 4.00               | -                  |
| 110 - 120             | 2.00               | 1.00               |
| 120 - 130             | 1.00               | -                  |
|                       | 7.00               | 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<br>Actual | 2022<br>Actual |
|------------------|----------------|----------------|
| Total            | -              | -              |
| Number of People | -              | -              |



## 21. Contingencies

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

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.

### 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.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2023, the Board had capital commitments of \$136,855 (2022:\$37,700) as a result of entering the following contracts:

| Contract Name                       | Contract Amount | Spend To Date | Remaining Capital Commitment |
|-------------------------------------|-----------------|---------------|------------------------------|
|                                     | \$              | \$            | \$                           |
| 222903 Bike & Equip Store           | 40,626          | 32,593        | 8,033                        |
| 230180 Blk A Roof Coverings         | 55,000          | 490           | 54,510                       |
| 221676 Carpark/Library Project      | 82,152          | 50,000        | 32,152                       |
| 245431 Replace Aging Timber Windows | 42,160          | 0             | 42,160                       |
| <b>Total</b>                        | <b>219,938</b>  | <b>83,083</b> | <b>136,855</b>               |

### (b) Operating Commitments

There are no operating commitments as at 31 December 2023 (Operating commitments at 31 December 2022: 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<br>Actual<br>\$ | 2023<br>Budget<br>(Unaudited)<br>\$ | 2022<br>Actual<br>\$ |
|---|----------------------|-------------------------------------|----------------------|
| Cash and Cash Equivalents                         | 91,413               | 29,184                              | 290,599              |
| Receivables                                       | 159,274              | 173,286                             | 208,928              |
| Investments - Term Deposits                       | 325,027              | -                                   | 365,734              |
| <br>  |                      |                                     |                      |
| Total financial assets measured at amortised cost | 575,714              | 202,470                             | 865,261              |

#### Financial liabilities measured at amortised cost

|  |         |         |         |
|--|---------|---------|---------|
| Payables   | 176,010 | 173,286 | 195,344 |
| Finance Leases   | 28,160  | 23,352  | 23,340  |
| <br>   |         |         |         |
| Total financial liabilities measured at amortised cost | 204,170 | 196,638 | 218,684 |

### 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.

## Maungaraki School

### Members of the Board

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| <b>Name</b>       | <b>Position</b>       | <b>How<br/>Position<br/>Gained</b> | <b>Term<br/>Expired/<br/>Expires</b> |
|-------------------|-----------------------|------------------------------------|--------------------------------------|
| Paul Matthews     | Presiding Member      | Elected                            | Sep 2025                             |
| Shane Robinson    | Principal             | ex Officio                         |                                      |
| Megan Hurley      | Parent Representative | Elected                            | Sep 2025                             |
| Elizabeth Briscoe | Parent Representative | Elected                            | Sep 2025                             |
| Lisa Agent        | Parent Representative | Elected                            | Sep 2025                             |
| Aaron Moore       | Parent Representative | Elected                            | Sep 2025                             |
| Kim Webby         | Staff Representative  | Elected                            | Sep 2025                             |

## Maungaraki School

### Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2023, the school received total Kiwisport funding of \$5,464 (excluding GST). The funding was spent on sporting endeavours.

## Statement of Compliance with Employment Policy

For the year ended 31st December 2023 the Maungaraki School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and 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 MAUNGARAKI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Maungaraki School ('the School'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 21, 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 – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 21 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 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 arises from the Public Audit Act 2001.

## **Other information**

The Board is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, KiwiSport Report and 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 (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.



## **Hamish Anton**

Partner

for Deloitte Limited

On behalf of the Auditor-General

Wellington, New Zealand



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30 May 2024

The Board of Trustees  
Maungaraki School  
137 Dowse Drive  
Maungaraki  
Lower Hutt  
5010

Dear Trustees,

## **Report to the Board of Trustees for the year ended 31 December 2023**

In accordance with our normal practice, we include in the attached report all matters arising from our audit of Maungaraki School's financial statements for the year ended 31 December 2023 which we consider appropriate for the attention of the Board of Trustees ("the Board"). These matters have been discussed with management and their comments have been included, where appropriate.

We look forward to the opportunity to discuss these at a Board meeting should you wish to discuss this report. In the interim should you require clarification on any matter in this report please do not hesitate to contact us.

This report is intended for the Board only and should not be distributed further.

We would like to take this opportunity to extend our appreciation to management and Education Services for their assistance and cooperation during the course of our audit.

If you would like to discuss any matters raised in this report, please do not hesitate to contact us.

Yours faithfully  
**DELOITTE LIMITED**



Hamish Anton  
**Appointed Auditor**  
On behalf of the Auditor-General

## Contents

|    |  |   |
|----|--|---|
| 1. | Purpose of report and responsibility statement | 1 |
| 2. | Status of the audit and outstanding matters    | 1 |
| 3. | Assessment of internal controls                | 3 |
| 4. | Accounting matters arising                     | 4 |
| 5. | Summary of financial statement matters arising | 5 |
| 6. | Other professional communications              | 5 |

## 1. Purpose of report and responsibility statement

This report has been prepared for the Board and is part of our ongoing discussions as auditor in accordance with our engagement letter and as required by the Office of the Auditor General requirements, which include New Zealand auditing standards.

This report is intended for the Board and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures and which we believe are appropriate to communicate to the Board. The ultimate responsibility for the preparation of the financial statements rests with the Board.

We are responsible for conducting an audit of Maungaraki School for the year ended 31 December 2023 in accordance with New Zealand auditing standards issued by the New Zealand Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Education and Training Act 2020 with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Board. The audit of the financial statements does not relieve management or the Board of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the school's controls, but we will provide you with any recommendations on controls that we might have identified during the course of our audit work.

## 2. Status of the audit and outstanding matters

Our audit of the financial statements is substantially complete, subject to the completion of the following matters:

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### Items outstanding

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- Appropriate procedures relating to subsequent events up to the date of our audit opinion;
  - Receipt of the signed management representation letter;
  - Adoption of the financial statements and signing of the directors' report by the directors;
- 

We understand that these may be approved by the Board under delegation to specified Trustees.

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## Area of focus

## Audit Response

### 2.1 Provision for Cyclical Maintenance

The provision for cyclical maintenance balance requires a significant level of management judgement, and the balance is often material to the financial statements. These judgements are made through the 10-year property plan (10YPP). To audit the provision for cyclical maintenance, the Board should:

- Ensure that your 10YPP has been professionally reviewed in the past three years, or more recently if there has been changes in the properties since the last review; and
- Ensure that the 10YPP aligns with your provision for cyclical maintenance calculation.

We have examined Maungaraki School's 10YPP and calculation of the cyclical maintenance provision and confirmed that:

- the 10YPP has been subject to necessary levels of professional review;
- the calculation of the cyclical maintenance provision is reasonable and accurate; and
- disclosures included in the financial statements are materially in line with the underlying calculation and with financial reporting requirements.

You are reminded that it is important to ensure sufficient funds can be set aside each year to manage the impact these costs will have on the school's cashflow during the period where works are undertaken.

No specific concerns or findings were noted.

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### 2.2 Office of the Auditor-General ("OAG") audit brief matters

As you are aware our audit is completed under contract from the OAG and annually, we are asked to specifically consider certain potential matters of interest. Schools are required to publish its Annual Report online. We have been asked to remind you of this requirement. These areas of focus remain similar to previous years including:

- classification of associated entities such as fundraising trusts;
- overseas travel;
- sensitive expenditure;
- financial difficulty risk factors; and
- legislative compliance.

Our audit procedures considered these matters as relevant and in accordance with OAG expectations.

No specific concerns or findings were noted.

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## 2.3 Statement of compliance with employment policy

Section 597 of the Education and Training Act 2020 requires the Board to have an employment policy that complies with the principle of being a good employer. The Board must make the policy available to employees, ensure its compliance with the policy, and report on the extent of that compliance in its annual report. The annual report is the information that is attached to the financial statements.

Our audit procedures considered these matters as relevant and in accordance with OAG expectations.

No specific concerns or findings were noted.

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## 3. Assessment of internal controls

Our audit approach requires us to obtain an understanding of Maungaraki School's internal controls, sufficient to identify and assess the risks of material misstatement of the financial statements.

We remind you that our audit is not designed to express an opinion on the effectiveness of the controls operating within the school, although we have reported to management any recommendations on controls that we identified during the course of our audit work. Any of our recommendations for improvement should be assessed by you for their full commercial implications before they are implemented.

We have not identified any significant deficiencies in internal controls which would impact upon our ability to provide our opinion.

### 3.1 Segregation of duties

As is the case for most schools, the number of people involved in the administration and accounting functions is very limited, meaning that there is an increased inherent risk that errors and omissions may occur and go undetected.

The number of people involved in the school's administration and accounting functions also imposes limitations on the controls and processes school have in place to monitor and approve changes made to information technology ("IT") systems responsible for processing transactions. These systems include but are not limited to the Edpay system, creditor processes and bank payment systems. The absence of controls to monitor and approve changes within these systems increases the risk of assets being misappropriated.

It is important that you are aware of these risks as it is your responsibility to ensure the school's internal controls operate effectively and that the resultant financial statements are accurate. You should ensure that sufficient financial oversight is exercised by the Board or a delegated nominee on a regular basis to reduce the likelihood of error or omission to a level that the Board is comfortable with.

This oversight should include consideration of payment approval and bank authorisation monitoring. As a simple example, we encourage all Boards to specifically review the electronic banking system authorities and levels as part of their consideration of the delegated authority considerations. Our experience is that the frauds being perpetrated are often arising from changes to bank account details after invoice approval. The historical lack of oversight in this area should be specifically considered by the Board as part of its regular financial monitoring.

### 3.2 Update on matters raised in the prior year

We have made enquiries and observations about the remedial action taken on last year's management letter observations and report as follows:

| Issue raised in the prior year   | Current year update                                     |
|--|---|
| Payroll controls   | Matter remains open. Refer to section 4.1               |
| Financial statements prepared using outdated Cyclical Maintenance Plan | This matter is considered closed in the current period. |

## 4. Accounting matters arising

### 4.1 Payroll controls

We consider the main risk to the accuracy of payroll payments is transactions being incorrectly processed, because of either fraud or error. The EdPay system relies on Schools checking the accuracy of the payroll transactions processed by the school, as this information is not checked centrally.

To ensure the accuracy of payroll payments, our expectation has been that Maungaraki School had the following key controls:

- effective access controls to EdPay, limiting access to “authorised users”;
- changes to masterfile data – such as bank account changes, new starters, or payments to non-salaried staff (such as relievers) - have appropriate supporting documentation and are appropriately authorised;
- checking of the fortnightly draft payroll (SUE) report and Edpay Online transactions report for accuracy; and
- review of the final fortnightly payroll (SUE) report by someone independent of staff who has access to EdPay.

Since 2021, sufficient reporting was not available in EdPay for Maungaraki School to provide evidence that all transactions had been appropriately reviewed.

We do not consider that the review of the SUE report on its own is a strong enough control for Maungaraki School to rely on to detect fraud or error, because it does not include details of changes to pay, or masterfile changes. The lack of a complete masterfile change report could also potentially provide an opportunity for a fraud to go undetected.

At the beginning of the 2024 financial year, we have been made aware that masterfile changes (those made to personal details, except for address changes) are now included in the activity history report available in EdPay. We understand that guidance on how to use this report to review masterfile changes has yet to be communicated to Maungaraki School and this may mean that Maungaraki School have not begun checking using this report.

#### Masterfile changes report in EdPay

#### No report in EdPay to check and approve masterfile changes during the 2023 financial year

The online activity history for masterfile changes, such as bank account and other changes to personal details within EdPay is now available for use. The 2022 payroll guidance provided interim procedures to assist Maungaraki School while this report was completed. However, as this could not provide a list of all changes made, this remained an area susceptible to fraud for the 2023 audit.

#### Recommendation

We recommend that the Board ask management for assurance that appropriate controls are in place at Maungaraki School over payroll transactions, consistent with the updated guidance. This should include the adoption and use of the updated transaction history reports to ensure any changes to pay or personal details are valid for the 2024 financial year.

## 4.2 Sensitive expenditure – Wellbeing support payment

In 2023 and 2024, Principals can access funding of up to \$6,000 each year for professional coaching and support for their leadership role. This funding is similar to the \$12,500 wellbeing support payment paid to newly appointed Principals in 2022. This wellbeing support payment was paid to all Principals who have signed the new collective agreements during the 2023 financial year for professional coaching and well-being support.

### Guidance on the wellbeing support payment is available

Guidance on the payment was circulated when the payment was made during the 2023 financial year and is available on the Ministry of Education’s website. This outlines the intended purpose of the payment and expected actions required by the Board and Principal of each school. The Ministry recommends:

- The funding is intended to be for the purposes of professional coaching and support for Principals
- Each School use of the funding should be in accordance with its policies relating to professional development and sensitive expenditure
- Where possible, School engage providers that are appropriately qualified and accredited; and
- Use of the fund focuses on supporting Principal’s development in their capacity as the chief executive of the school in terms of management and control
- The funding is a minimum entitlement and does not prevent Principals and their Boards agreeing to additional coaching and support in excess of \$6,000
- Principals will be required to make an annual declaration to their Boards regarding their uptake and use of the funding
- As with all spending, Principals and their Boards should have regard to Government Procurement Rules, follow best practice, seek to achieve public value for money, and avoid any conflicts of interest when choosing how to use their funding.

### Recommendation

We recommend the Board work with the Principal to ensure the uptake of the \$6,000 for the 2024 financial year follows the guidelines set out by the Ministry of Education. At a minimum, this would include:

- Appropriate one up approval of all expenditure
- Ensuring spending is in line with the School sensitive expenditure policy; and
- Obtaining an annual declaration from the Principal on how the funds have been utilised.

## 5. Summary of financial statement matters arising

In performing our audit for the year ended 31 December 2023 we have not identified any uncorrected misstatements or omitted disclosures that management believe could, either individually or in aggregate, have a material effect on the financial statements for the year ended 31 December 2023.

## 6. Other professional communications

The following matters relevant to our audit for the year ended 31 December 2023 are communicated in accordance with the requirements of New Zealand auditing standards.

| Matter to be communicated                   | Response  |
|---|---|
| Written representations                     | A copy of the representation letter to be signed on behalf of the Board has been circulated separately. |
| Accounting policies and financial reporting | There were no changes in accounting policies during the year ended 31 December 2023.                    |

| Matter to be communicated | Response   |
|---------------------------|--|
|                           | We have not become aware of any significant qualitative aspects of Maungaraki School's accounting practices, including judgements about accounting policies, accounting estimates and financial statement disclosures that need to be communicated to the Board, other than those already communicated in this report. |
| Related parties           | No significant related party matters other than those reflected in the financial statements came to our attention that, in our professional judgement, need to be communicated to the Board.   |
| Other information         | We have read the other information (the financial and non-financial information other than the financial statements) contained within the annual report to consider whether there are material inconsistencies with the financial statements.  |

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