



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	3767
Principal:	Nigel Nicholl
School Address:	Rata Road, Makarora, Wanaka
School Postal Address:	PO Box 20, Makarora, Wanaka, 9346
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MAKARORA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2022

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Makarora Primary School

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Danyel Wendy Watson
Full Name of Presiding Member

DWatson
Signature of Presiding Member

07-08-2023
Date:

NIGEL BERNARD NICHOLL
Full Name of Principal

N. Nicholl
Signature of Principal

07-08-2023
Date:

Makarora Primary School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Danyel Watson	Presiding Member	Elected	Sep 2025
Margaret Lister	Presiding Member	Elected	Sep 2022
Nigel Nicholl	Principal	ex Officio	
Charlene MacIvor	Parent Representative	Elected	Sep 2025
Carmen Howells	Parent Representative	Elected	Sep 2025
Careen Kemp	Staff Representative	Elected	Sep 2025
Richard Blanc	Parent Representative	Co-opted	Sep 2022
In Attendance Melanie Barlow	BOT Secretary		

Makarora Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	367,504	314,896	336,581
Locally Raised Funds	3	21,375	9,800	15,896
Interest Income		1,681	100	344
		390,560	324,796	352,821
Expenses				
Locally Raised Funds	3	3,629	1,000	6,852
Learning Resources	4	189,609	184,222	188,117
Administration	5	15,042	21,161	16,427
Finance		633	-	747
Property	6	78,987	77,274	75,938
Other Expenses	7	41,006	46,000	40,042
Loss on Disposal of Property, Plant and Equipment		1,549	-	201
		330,455	329,657	328,324
Net Surplus / (Deficit) for the year		60,105	(4,861)	24,497
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		60,105	(4,861)	24,497

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

Makarora Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		234,905	234,905	210,408
Total comprehensive revenue and expense for the year		60,105	(4,861)	24,497
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,764	-	-
Equity at 31 December		296,774	230,044	234,905
Accumulated comprehensive revenue and expense		296,774	230,044	234,905
Equity at 31 December		296,774	230,044	234,905

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.

Makarora Primary School

Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	8	130,919	106,250	100,611
Accounts Receivable	9	14,631	10,904	10,904
GST Receivable		-	11,807	11,807
Prepayments		2,307	1,653	1,653
Investments	10	27,339	26,881	26,881
Funds Receivable for Capital Works Projects	15	9,859	-	-
		185,055	157,495	151,856
Current Liabilities				
GST Payable		2,195	-	-
Accounts Payable	12	23,264	23,811	23,811
Finance Lease Liability	14	2,580	2,106	2,106
Funds held for Capital Works Projects	15	-	40,682	40,682
		28,039	66,599	66,599
Working Capital Surplus/(Deficit)		157,016	90,896	85,257
Non-current Assets				
Property, Plant and Equipment	11	146,608	147,144	157,144
		146,608	147,144	157,144
Non-current Liabilities				
Provision for Cyclical Maintenance	13	2,540	2,485	1,985
Finance Lease Liability	14	4,310	5,511	5,511
		6,850	7,996	7,496
Net Assets		296,774	230,044	234,905
Equity		296,774	230,044	234,905

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

Makarora Primary School

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		171,600	126,628	149,510
Locally Raised Funds		21,375	9,800	15,896
Goods and Services Tax (net)		14,002	-	(15,940)
Payments to Employees		(48,109)	(37,928)	(43,457)
Payments to Suppliers		(78,312)	(92,961)	(79,746)
Interest Received		1,425	100	358
Net cash from/(to) Operating Activities		81,981	5,639	26,621
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		2,582	-	(1,548)
Purchase of Investments		(458)	-	(288)
Net cash from/(to) Investing Activities		2,124	-	(1,836)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,764	-	-
Finance Lease Payments		(2,692)	-	(3,924)
Funds Administered on Behalf of Third Parties		(52,869)	-	34,889
Net cash (to)/from Financing Activities		(53,797)	-	30,965
Net increase/(decrease) in cash and cash equivalents		30,308	5,639	55,750
Cash and cash equivalents at the beginning of the year	8	100,611	100,611	44,861
Cash and cash equivalents at the end of the year	8	130,919	106,250	100,611

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

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

Makarora Primary School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity

Makarora Primary 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.

1.2. Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate 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 14. Future operating lease commitments are disclosed in note 20b.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period to which they relate. 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 to which they relate. 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 recognised as 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.

1.4. Finance Lease Payments

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

1.5. Cash and Cash Equivalents

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

1.6. Accounts Receivable

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

1.7. Investments

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

1.8. 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 Statement of Comprehensive Revenue and Expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment, except for library resources, are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements	10-50 years
Furniture and equipment	5-10 years
Leased assets held under a Finance Lease	Term of Lease

1.9. 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 as the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. 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.

1.10. Accounts Payable

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

1.11. 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, 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 Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.12. 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.

1.13. 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.

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

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. 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.

1.14. 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 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 investments' 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 the Statement of Comprehensive Revenue and Expense 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 the Statement of Comprehensive Revenue and Expense.

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

1.15. 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.

1.16. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.17. Budget Figures

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

1.18. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	110,345	67,000	93,003
Teachers' Salaries Grants	127,705	128,222	125,535
Use of Land and Buildings Grants	61,491	59,674	54,115
Transport Grant	67,963	60,000	63,928
	<u>367,504</u>	<u>314,896</u>	<u>336,581</u>

The School has opted in to the donations scheme for this year. Total amount received was \$1,350 (2021: \$1,350).

3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	2,691	1,000	3,835
Fees for Extra Curricular Activities	18	-	100
Fundraising & Community Grants	869	1,000	-
Other Revenue	17,797	7,800	11,961
	<u>21,375</u>	<u>9,800</u>	<u>15,896</u>
Expenses			
Extra Curricular Activities Costs	123	-	500
Fundraising & Community Grant Costs	-	-	2,030
Other Locally Raised Funds Expenditure	3,506	1,000	4,322
	<u>3,629</u>	<u>1,000</u>	<u>6,852</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>17,746</u>	<u>8,800</u>	<u>9,044</u>

4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	9,276	13,000	9,112
Employee Benefits - Salaries	169,777	158,222	165,291
Staff Development	291	3,000	535
Depreciation	10,265	10,000	13,179
	<u>189,609</u>	<u>184,222</u>	<u>188,117</u>

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,531	4,371	4,244
Board Fees	2,150	500	1,550
Board Expenses	1,335	1,000	2,720
Communication	1,014	1,200	970
Consumables	118	200	101
Other	2,291	7,250	2,536
Employee Benefits - Salaries	163	300	667
Insurance	100	2,500	458
Service Providers, Contractors and Consultancy	3,340	3,840	3,181
	<u>15,042</u>	<u>21,161</u>	<u>16,427</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,872	300	4,196
Cyclical Maintenance Provision	555	500	555
Grounds	4,220	1,500	3,610
Heat, Light and Water	3,900	6,000	6,082
Rates	285	300	278
Repairs and Maintenance	51	1,000	3,058
Use of Land and Buildings	61,491	59,674	54,115
Employee Benefits - Salaries	6,613	8,000	4,044
	<u>78,987</u>	<u>77,274</u>	<u>75,938</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. Other Expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Transport	41,006	46,000	40,042
	<u>41,006</u>	<u>46,000</u>	<u>40,042</u>

8. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	130,919	106,250	100,611
Cash and Cash Equivalents for Statement of Cash Flows	<u>130,919</u>	<u>106,250</u>	<u>100,611</u>

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

9. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	3,116	-	-
Interest Receivable	256	-	-
Teacher Salaries Grant Receivable	11,259	10,904	10,904
	<u>14,631</u>	<u>10,904</u>	<u>10,904</u>
Receivables from Exchange Transactions	256	-	-
Receivables from Non-Exchange Transactions	14,375	10,904	10,904
	<u>14,631</u>	<u>10,904</u>	<u>10,904</u>

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	27,339	26,881	26,881
Total Investments	<u>27,339</u>	<u>26,881</u>	<u>26,881</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Land	10,000	-	-	-	-	10,000
Building Improvements	124,133	-	-	-	(4,379)	119,754
Furniture and Equipment	15,601	3,689	(5,745)	-	(3,161)	10,384
Leased Assets	7,410	1,785	-	-	(2,725)	6,470
Balance at 31 December 2022	157,144	5,474	(5,745)	-	(10,265)	146,608

The net carrying value of equipment held under a finance lease is \$6,470 (2021: \$7,410)

Restrictions

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

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Land	10,000	-	10,000	10,000	-	10,000
Building Improvements	185,904	(66,150)	119,754	185,904	(61,771)	124,133
Furniture and Equipment	60,572	(50,188)	10,384	72,132	(56,531)	15,601
Leased Assets	11,518	(5,048)	6,470	12,484	(5,074)	7,410
Balance at 31 December	267,994	(121,386)	146,608	280,520	(123,376)	157,144

12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	6,604	7,308	7,308
Accruals	4,371	4,244	4,244
Banking Staffing Overuse	-	372	372
Employee Entitlements - Salaries	12,003	11,607	11,607
Employee Entitlements - Leave Accrual	286	280	280
	23,264	23,811	23,811
Payables for Exchange Transactions	23,264	23,811	23,811
	23,264	23,811	23,811

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	1,985	1,985	1,430
Increase to the Provision During the Year	555	500	555
Provision at the End of the Year	2,540	2,485	1,985
Cyclical Maintenance - Non current	2,540	2,485	1,985
	2,540	2,485	1,985

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

14. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	3,048	2,634	2,634
Later than One Year and no Later than Five Years	4,600	6,118	6,118
Future Finance Charges	(758)	(1,135)	(1,135)
	<u>6,890</u>	<u>7,617</u>	<u>7,617</u>
Represented by:			
Finance lease liability - Current	2,580	2,106	2,106
Finance lease liability - Non current	4,310	5,511	5,511
	<u>6,890</u>	<u>7,617</u>	<u>7,617</u>

15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Outdoor Learning Area	40,682	-	(50,541)	-	(9,859)
Totals	<u>40,682</u>	<u>-</u>	<u>(50,541)</u>	<u>-</u>	<u>(9,859)</u>

Represented by:

Funds Receivable from the Ministry of Education (9,859)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Outdoor Learning Area	-	142,475	(101,793)	-	40,682
Totals	<u>-</u>	<u>142,475</u>	<u>(101,793)</u>	<u>-</u>	<u>40,682</u>

Represented by:

Funds Held on Behalf of the Ministry of Education 40,682

16. Related Party Transactions

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

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

17. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,150	1,550
<i>Leadership Team</i>		
Remuneration	109,628	107,270
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	111,778	108,820

There are four members of the Board excluding the Principal. The Board has held eight full meetings of the Board in the year. The Board also has Finance and Property members that meet monthly and quarterly 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	100 - 110
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	-	-
	-	-

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

18. Compensation and Other Benefits Upon Leaving

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

	2022 Actual \$	2021 Actual \$
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up payment

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The Ministry is in the process of determining wash up payments for the year ended 31 December 2022 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

20. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$40,682)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

21. 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	130,919	106,250	100,611
Receivables	14,631	10,904	10,904
Investments - Term Deposits	27,339	26,881	26,881
Total Financial assets measured at amortised cost	172,889	144,035	138,396

Financial liabilities measured at amortised cost

Payables	23,264	23,811	23,811
Finance Leases	6,890	7,617	7,617
Total Financial liabilities measured at amortised Cost	30,154	31,428	31,428

22. Events After Balance Date

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

23. Comparatives

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



Makarora School, Rata Road , Makarora 9346
office@makarora.school.nz

Phone 027 4438342

Compliance with the Good Employer Policy

The School Board:

- Has developed and implemented appropriate policies which promote high levels of staff performance and recognise the needs of students (see below - schooldocs documentation)
- Has reviewed its compliance with these policies and can report that it meets all the requirements identified and is in accordance with best practice;
- Is a good employer and complies with all conditions included within employee contracts;
- Ensures all employees are treated fairly, without bias or discrimination;
- Meets all EEO requirements.

Nigel Nicholl – Principal Makarora School (on behalf of the Board of Trustees)

Counter signed by Danyel Watson – Presiding Member

Date: 07-08-2023.

Employer Responsibility Policy

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

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

- appoints the principal, through the [appointment committee](#)
- [appraises the principal](#)
- works transparently and positively with the principal
- ensures delegations to the principal are robust and regularly reviewed.

The board meets reporting and administrative requirements by:

- referring to the school's [Equal Employment Opportunities](#) policy in its annual report on the extent of its compliance as a good employer
- ensuring that systems are in place for keeping [employee files](#) safe and secure.

Support for school employees

The board:

- takes all steps, so far as is reasonably practicable, to meet its [primary duty of care](#) obligations to ensure good and safe working conditions for employees and responds to all reasonable concerns and requests made by employees
- considers staff [health and wellbeing \(hauora\)](#) and work-life balance, and will consider applications for [flexible working arrangements](#)
- ensures that all employees maintain proper standards of [integrity and conduct](#), and a concern for the [safety and wellbeing of students](#), [colleagues](#), and public interest
- promotes high levels of staff performance through:
 - [performance management](#) and professional development (including budgeting for training and development programmes intended to enhance the abilities of individual employees)
 - acknowledgement of staff achievements
 - [salary units](#) and [classroom release time](#).
- deals effectively and fairly with any concerns through the [concerns and complaints](#) and [protected disclosure](#) procedures.

Recruitment and appointments

The board delegates the recruitment and appointment process to the principal and senior management but may be represented in [appointment committees](#). The board and delegate(s) endeavour to appoint appropriately trained and qualified staff to all teaching and non-teaching positions, and to find the best person for the position.

Student wellbeing and safety

The board recognises the need to ensure the safety of students and mitigates students being placed at risk by the actions of employees, through:

- proactive policies, procedures, and actions related to [student wellbeing and safety](#)
- robust recruitment (including [reference checking](#)), [appointment](#), and induction processes, including complying with the Children's Act 2014
- [annual reports](#) from the principal on the registration, certification, attestation, and police vetting of staff, and reports on appointments and any support provided to teachers
- information, in committee, from the principal regarding [concerns and complaints](#) raised about staff, and the actions taken
- compliance with the [mandatory reporting requirements](#) to the Teaching Council under the Education and Training Act 2020 regarding staff dismissals, resignations, complaints, serious misconduct, and competence.



Makarora School

Next review: Term 2 2024

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The board delegates the recruitment and appointment process to the principal and senior management but may be represented in **appointment committees**. The board and

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MAKARORA PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Makarora Primary School (the School). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 17, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 7 August 2023. 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, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages accompanying the financial statements but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



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