

MAKARA MODEL SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 2894

Principal: Caroline Wills

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Accountant / Service Provider:

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MAKARA MODEL SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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Makara Model 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.

A. Kinepatnick

Full Name of Presiding Member



Signature of Presiding Member

14 / 6 / 24

Date:

Caroline Wills

Full Name of Principal



Signature of Principal

29.5.2024

Date:

Makara Model School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	813,617	699,265	741,815
Locally Raised Funds	3	123,592	92,180	66,201
Interest		9,584	2,000	3,118
Total Revenue		946,793	793,445	811,134
Expense				
Locally Raised Funds	3	29,006	23,475	16,560
Learning Resources	4	642,604	588,515	595,731
Administration	5	96,052	95,672	88,087
Interest		506	550	350
Property	6	147,891	125,248	146,740
Loss on Disposal of Property, Plant and Equipment		5,032	-	7,364
Total Expense		921,091	833,460	854,832
Net Surplus / (Deficit) for the year		25,702	(40,015)	(43,698)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		25,702	(40,015)	(43,698)

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

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

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		708,755	458,655	752,453
Total comprehensive revenue and expense for the year		25,702	(40,015)	(43,698)
Contribution - Furniture and Equipment Grant		6,963	-	-
Equity at 31 December		741,420	418,640	708,755
Accumulated comprehensive revenue and expense		741,420	418,640	708,755
Equity at 31 December		741,420	418,640	708,755

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.

Makara Model School
Statement of Financial Position
As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	156,530	74,683	82,231
Accounts Receivable	8	45,616	80,628	51,148
GST Receivable		-	9,830	-
Prepayments		2,276	14,596	9,994
Inventories	9	163	323	-
Investments	10	120,385	382,767	115,116
Funds Receivable for Capital Works Projects	16	23,694	-	11,062
		<u>348,664</u>	<u>562,827</u>	<u>269,551</u>
Current Liabilities				
GST Payable		7,067	-	8,059
Accounts Payable	12	65,399	109,713	43,896
Revenue Received in Advance	13	19,947	38,782	18,976
Provision for Cyclical Maintenance	14	-	13,243	-
Finance Lease Liability	15	4,960	11,935	4,733
Funds held for Capital Works Projects	16	62,214	-	33,074
		<u>159,587</u>	<u>173,673</u>	<u>108,738</u>
Working Capital Surplus/(Deficit)		189,077	389,154	160,813
Non-current Assets				
Property, Plant and Equipment	11	566,011	88,286	566,337
		<u>566,011</u>	<u>88,286</u>	<u>566,337</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	9,833	36,723	9,600
Finance Lease Liability	15	3,835	22,077	8,795
		<u>13,668</u>	<u>58,800</u>	<u>18,395</u>
Net Assets		<u><u>741,420</u></u>	<u><u>418,640</u></u>	<u><u>708,755</u></u>
Equity		<u><u>741,420</u></u>	<u><u>418,640</u></u>	<u><u>708,755</u></u>

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

Makara Model School
Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		215,671	192,348	251,475
Locally Raised Funds		139,913	92,180	63,590
Goods and Services Tax (net)		(992)	-	20,585
Payments to Employees		(154,748)	(133,595)	(175,477)
Payments to Suppliers		(94,441)	(114,261)	(133,439)
Interest Paid		(506)	(550)	(350)
Interest Received		9,074	2,000	2,753
Net cash from/(to) Operating Activities		113,971	38,122	29,137
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(53,934)	(14,755)	(17,285)
Purchase of Investments		(5,270)	-	(1,842)
Proceeds from Sale of Investments		-	-	52,784
Net cash from/(to) Investing Activities		(59,204)	(14,755)	33,657
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,963	-	-
Finance Lease Payments		(3,939)	(3,878)	(3,161)
Funds Administered on Behalf of Other Parties		16,508	-	(27,232)
Net cash from/(to) Financing Activities		19,532	(3,878)	(30,393)
Net increase/(decrease) in cash and cash equivalents		74,299	19,489	32,401
Cash and cash equivalents at the beginning of the year	7	82,231	55,194	49,830
Cash and cash equivalents at the end of the year	7	156,530	74,683	82,231

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.

Makara Model School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Makara Model 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 21b.

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 Stationery and School Apparel. 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 years
Furniture and Equipment	5-10 years
Information and Communication Technology	5 years
Library Resources	8 years
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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	220,738	193,180	254,545
Teachers' Salaries Grants	490,783	434,615	388,306
Use of Land and Buildings Grants	102,096	71,470	98,964
	813,617	699,265	741,815

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	26,883	23,900	23,304
Fees for Extra Curricular Activities	7,063	-	630
Trading	5,647	3,325	7,562
Fundraising & Community Grants	51,474	24,255	12,775
Other Revenue	-	-	6,059
After School Care	29,810	40,700	15,871
Breakfast Club	2,715	-	-
	123,592	92,180	66,201
Expense			
Extra Curricular Activities Costs	3,156	-	344
Trading	5,069	2,825	5,370
Fundraising & Community Grant Costs	1,374	-	2,411
After School Care	16,807	20,650	8,435
Breakfast Club	2,600	-	-
	29,006	23,475	16,560
<i>Surplus for the year Locally raised funds</i>	94,586	68,705	49,641

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	25,367	34,860	42,128
Library Resources	-	200	56
Employee Benefits - Salaries	547,009	485,115	488,307
Staff Development	20,999	20,857	16,971
Depreciation	49,229	47,483	48,269
	642,604	588,515	595,731

5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fees	6,376	6,000	6,190
Board Fees	535	1,000	605
Board Expenses	3,241	3,302	3,381
Communication	1,467	1,800	914
Consumables	1,776	2,000	1,936
Other	12,406	15,070	12,802
Employee Benefits - Salaries	61,014	57,500	53,210
Insurance	4,197	4,000	4,751
Service Providers, Contractors and Consultancy	5,040	5,000	4,298
	96,052	95,672	88,087

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,787	2,800	2,494
Cyclical Maintenance Provision	233	5,433	5,433
Grounds	2,159	7,200	4,706
Heat, Light and Water	8,910	6,000	6,162
Repairs and Maintenance	5,218	5,750	4,750
Use of Land and Buildings	102,096	71,470	98,964
Security	1,478	1,000	906
Employee Benefits - Salaries	25,010	25,595	23,325
	147,891	125,248	146,740

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	156,530	74,683	82,231
Cash and cash equivalents for Statement of Cash Flows	156,530	74,683	82,231

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

Of the \$156,530 Cash and Cash Equivalents \$62,214 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	150	1,737	17,928
Receivables from the Ministry of Education	2,538	-	-
Interest Receivable	1,267	917	757
Teacher Salaries Grant Receivable	41,661	77,974	32,463
	<u>45,616</u>	<u>80,628</u>	<u>51,148</u>
Receivables from Exchange Transactions	1,417	2,654	18,685
Receivables from Non-Exchange Transactions	44,199	77,974	32,463
	<u>45,616</u>	<u>80,628</u>	<u>51,148</u>

9. Inventories

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Lunches	-	128	-
Stationery	-	195	-
School Apparel	163	-	-
	<u>163</u>	<u>323</u>	<u>-</u>

10. Investments

The School's investment activities are classified as follows:

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	120,385	382,767	115,116
Total Investments	<u>120,385</u>	<u>382,767</u>	<u>115,116</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements	487,694	30,000	-	-	(28,449)	489,245
Furniture and Equipment	42,137	19,920	(2,666)	-	(9,120)	50,270
Information and Communication Technology	19,058	4,014	(2,365)	-	(6,653)	14,055
Leased Assets	16,404	-	-	-	(4,877)	11,527
Library Resources	1,044	-	-	-	(130)	914
Balance at 31 December 2023	566,337	53,934	(5,031)	-	(49,229)	566,011

The net carrying value of equipment held under a finance lease is \$11,527 (2022: \$16,404)

Restrictions

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

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	597,992	(108,747)	489,245	567,992	(80,298)	487,694
Furniture and Equipment	77,448	(27,178)	50,270	63,224	(21,087)	42,137
Information and Communication Technology	27,872	(13,817)	14,055	34,567	(15,509)	19,058
Leased Assets	23,808	(12,281)	11,527	23,808	(7,404)	16,404
Library Resources	1,527	(613)	914	1,527	(483)	1,044
Balance at 31 December	728,647	(162,636)	566,011	691,118	(124,781)	566,337

12. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	14,711	21,083	3,036
Accruals	7,664	6,619	5,530
Banking Staffing Overuse	-	-	1,253
Employee Entitlements - Salaries	41,661	77,974	32,463
Employee Entitlements - Leave Accrual	1,363	4,037	1,614
	65,399	109,713	43,896
Payables for Exchange Transactions	65,399	109,713	43,896
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	65,399	109,713	43,896

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Income In Advance	18,230	38,782	9,059
Pool Key Bond	480	-	-
Grants in Advance - MOE	1,237	-	9,917
	19,947	38,782	18,976

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	9,600	44,533	4,167
Increase to the Provision During the Year	4,917	5,433	5,433
Other Adjustments	(4,684)	-	-
Provision at the End of the Year	9,833	49,966	9,600
Cyclical Maintenance - Current	-	13,243	-
Cyclical Maintenance - Non current	9,833	36,723	9,600
	9,833	49,966	9,600

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2029. 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:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	5,239	11,935	5,239
Later than One Year and no Later than Five Years	3,900	22,077	9,139
Future Finance Charges	(344)	-	(850)
	8,795	34,012	13,528

Represented by

Finance lease liability - Current	4,960	11,935	4,733
Finance lease liability - Non current	3,835	22,077	8,795
	8,795	34,012	13,528

16. 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 \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Storm Damage			(1,750)	-	1,750	-	-
Roof & Renovation		215309	(9,312)	-	(14,382)	-	(23,694)
Universal Bathroom		234954	33,074	188,266	(159,126)	-	62,214
Totals			22,012	188,266	(171,758)	-	38,520

Represented by:

Funds Held on Behalf of the Ministry of Education	62,214
Funds Receivable from the Ministry of Education	(23,694)

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Storm Damage			-	-	(1,750)	-	(1,750)
Roof & Renovation		215309	49,244	-	(58,556)	-	(9,312)
Universal Bathroom		234954	-	33,074	-	-	33,074
Totals			49,244	33,074	(60,306)	-	22,012

Represented by:

Funds Held on Behalf of the Ministry of Education	33,074
Funds Receivable from the Ministry of Education	(11,062)

17. 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.

18. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	535	605
<i>Leadership Team</i>		
Remuneration	229,811	187,422
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	230,346	188,027

There are 5 members of the Board excluding the Principal. The Board has held 8 full meetings of the Board in the year. The Board also has Finance (1 members) and Property (N/A members) committees that met N/A and N/A 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 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	100 - 110
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	2.00	-
	2.00	0.00

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

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

20. 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 both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2023.

The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2023. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2024.

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.

21. Commitments

(a) Capital Commitments

As at 31 December 2023, the Board had capital commitments of \$560,546 (2022:\$734,054) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Roof & Renovation	1,463,505	1,406,261	57,244
Universal Bathroom	662,428	159,126	503,302
Total	2,125,933	1,565,387	560,546

(b) Operating Commitments

There are no operating commitments as at 31 December 2023 (Operating commitments at 31 December 2022: nil).

22. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	156,530	74,683	82,231
Receivables	45,616	80,628	51,148
Investments - Term Deposits	120,385	382,767	115,116
Total financial assets measured at amortised cost	<u>322,531</u>	<u>538,078</u>	<u>248,495</u>

Financial liabilities measured at amortised cost

Payables	65,399	109,713	43,896
Finance Leases	8,795	34,012	13,528
Total financial liabilities measured at amortised cost	<u>74,194</u>	<u>143,725</u>	<u>57,424</u>

23. Events After Balance Date

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

24. Comparatives

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

Makara Model School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Caroline Wills	Principal		
Ali Kirkpatrick	Presiding Member	Re-elected	Sep-25
Andrew Graham	Staff Representative	Re-elected	Sep-25
Rachel Kasa	Parent Representative	Elected	Sep-25
Genieve Morrison	Parent Representative	Elected	Sep-25
James Ryan	Parent Representative	Elected	Sep-25

Makara Model School

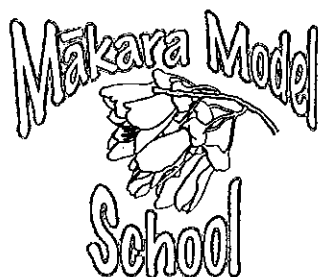
Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2023, the school received total Kiwisport funding of \$1,289 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2023 the Makara Model 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.



29 May 2024

Geoff Potter
BDO Wellington Audit Limited
Level 1, Chartered Accountants House, 50 Customhouse Quay
Wellington

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2023

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Makara Model School (the School) for the year ended 31 December 2023 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
 - the financial position as at 31 December 2023; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources, activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 134 of the Education and Training Act 2020 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2023; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.

- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter (Please see Appendix 1);
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with (PBE) Standards Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2023. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing this letter, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully


Presiding Member



Principal

APPENDIX 1 – SUMMARY OF UNCORRECTED MISSTATEMENTS

The following misstatements have been identified during the course of our audit, and have not been adjusted as they were considered by management not to be material:

Description	Assets	Liabilities	Reserves	Profit
	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)	Inc/(Dec)
	\$	\$	\$	\$
Adjustment to move Christmas Fair income received in the 2023FY as this is in relation to the 2022FY	-	-	3,434	(3,434)
Net Effect of Adjustments not made:	-	-	3,434	(3,434)