

MURRAYS BAY SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 1387

Principal: Hayden Iles

School Address: 18 Clematis Avenue, Murrays Bay, Auckland

School Postal Address: PO Box 65 502, Mairangi Bay, Auckland

School Phone: (09) 478 6239

School Email: principal@murraysbay.school.nz

Members of the Board:

Name	Position	How Position Gained	Term Expired/Expires
Michael Frith	Presiding Member	Elected	Dec 2023
Hayden Iles	Principal ex Officio		
Jodi Field	Parent Representative	Elected	Sept 2025
Sheree Lacy-Goehring	Parent Representative	Elected	Sept 2025
David Kay	Parent Representative	Elected	Dec 2023
Brett Ingold	Parent Representative	Selected	Sept 2025
Aimee Fannin	Staff Representative	Elected	Sept 2025

Accountant / Service Provider:

Top Class Financial Management Services

MURRAYS BAY SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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Murrays Bay 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.

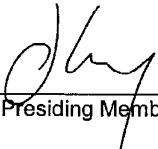
The management (including the Principal and others, as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

DAVID KAY

Full Name of Presiding Member



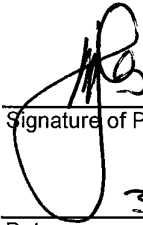
Signature of Presiding Member

31/5/24

Date:

Hayden Iles

Full Name of Principal



Signature of Principal

31/5/24

Date:

Murrays Bay 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	6,637,377	5,983,872	6,374,573
Locally Raised Funds	3	668,285	574,143	595,112
Interest		62,256	10,000	24,600
Total Revenue		7,367,918	6,568,015	6,994,285
Expense				
Locally Raised Funds	3	107,160	122,800	94,618
Learning Resources	4	4,945,275	4,162,950	4,455,645
Administration	5	385,493	426,662	367,696
Interest		6,242	-	4,212
Property	6	1,824,113	2,038,550	1,948,550
Loss on Disposal of Property, Plant and Equipment		3,400	-	10,553
Total Expense		7,271,683	6,750,962	6,881,274
Net Surplus / (Deficit) for the year		96,235	(182,947)	113,011
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		96,235	(182,947)	113,011

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

Murrays Bay 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		1,602,887	1,602,887	1,489,876
Total comprehensive revenue and expense for the year		96,235	(182,947)	113,011
Contributions from / (Distributions to) the Ministry of Education		-	-	-
Contribution - Furniture and Equipment Grant		169,294	-	-
Equity at 31 December		1,868,416	1,419,940	1,602,887
Accumulated comprehensive revenue and expense		1,868,416	1,419,940	1,602,887
Equity at 31 December		1,868,416	1,419,940	1,602,887

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.

Murrays Bay 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	272,037	244,072	389,675
Accounts Receivable	8	346,383	310,000	284,960
GST Receivable		26,053	30,000	30,819
Prepayments		37,190	25,000	27,844
Inventories	9	774	1,000	1,425
Investments	10	1,150,000	450,000	805,614
Funds Receivable for Capital Works Projects	16	35,736	-	12,254
		1,868,173	1,060,072	1,552,591
Current Liabilities				
Accounts Payable	12	373,593	369,283	372,630
Revenue Received in Advance	13	185,096	-	122,751
Provision for Cyclical Maintenance	14	52,200	57,000	28,800
Finance Lease Liability	15	32,416	25,000	34,118
Funds held for Capital Works Projects	16	59,545	-	127,993
		702,850	451,283	686,292
Working Capital Surplus/(Deficit)		1,165,323	608,789	866,299
Non-current Assets				
Property, Plant and Equipment	11	787,529	889,428	863,428
		787,529	889,428	863,428
Non-current Liabilities				
Provision for Cyclical Maintenance	14	49,355	58,277	69,277
Finance Lease Liability	15	35,081	20,000	57,563
		84,436	78,277	126,840
Net Assets		1,868,416	1,419,940	1,602,887
Equity		1,868,416	1,419,940	1,602,887

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

Murrays Bay 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		1,486,130	1,573,637	1,558,427
Locally Raised Funds		481,870	420,143	580,371
International Students		234,643	159,000	145,701
Goods and Services Tax (net)		4,766	(20,000)	1,116
Payments to Employees		(1,250,436)	(975,100)	(1,295,528)
Payments to Suppliers		(749,334)	(985,859)	(875,268)
Interest Paid		(6,242)	-	(4,212)
Interest Received		55,205	7,000	18,242
Net cash from/(to) Operating Activities		256,602	178,821	128,849
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		6,880	-	435
Purchase of Property Plant & Equipment (and Intangibles)		(76,876)	(261,821)	(176,804)
Purchase of Investments		(344,386)	-	(2,098)
Proceeds from Sale of Investments		-	150,000	
Net cash from/(to) Investing Activities		(414,382)	(111,821)	(178,467)
Cash flows from Financing Activities				
Furniture and Equipment Grant		169,294	-	
Finance Lease Payments		(37,222)	(31,078)	(24,776)
Funds Administered on Behalf of Other Parties		(91,930)	-	92,462
Net cash from/(to) Financing Activities		40,142	(31,078)	67,686
Net increase/(decrease) in cash and cash equivalents		(117,638)	35,922	18,068
Cash and cash equivalents at the beginning of the year	7	389,675	208,150	371,607
Cash and cash equivalents at the end of the year	7	272,037	244,072	389,675

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

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

Murrays Bay School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Murrays Bay 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 21.

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 are comprised of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

i) Investments

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

j) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value, as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–75 years
Board Owned Buildings	10–75 years
Furniture and equipment	3–12 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	8 years

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

k) Accounts Payable

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

l) Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, by non teaching staff, but not yet taken at balance date.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from international and domestic students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

n) Funds held for Capital works

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

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

o) Provision for Cyclical Maintenance

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

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

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

p) Financial Instruments

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

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.

q) 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.

r) Budget Figures

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

s) Services received in-kind

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

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,562,731	1,317,922	1,560,498
Teachers' Salaries Grants	3,515,432	3,000,000	3,099,223
Use of Land and Buildings Grants	1,551,028	1,665,950	1,665,950
Other Government Grants	8,186	-	48,902
	<u>6,637,377</u>	<u>5,983,872</u>	<u>6,374,573</u>

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	257,172	210,000	297,086
Curriculum related Activities - Purchase of goods and services	104,574	117,100	86,880
Fees for Extra Curricular Activities	84,552	72,043	72,157
Trading	1,702	9,000	7,243
Fundraising & Community Grants	42,371	6,000	38,810
Other Revenue	16,354	1,000	6,035
International Student Fees	161,560	159,000	86,901
	<u>668,285</u>	<u>574,143</u>	<u>595,112</u>
Expense			
Extra Curricular Activities Costs	76,350	70,000	71,641
Trading	1,213	9,000	6,778
Fundraising and Community Grant Costs	-	-	692
International Student - Student Recruitment	8,139	-	-
International Student - Other Expenses	21,458	43,800	15,507
	<u>107,160</u>	<u>122,800</u>	<u>94,618</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>561,125</u>	<u>451,343</u>	<u>500,494</u>

During the year, the School hosted 20 International students (2022:11)

The Principal, Mr Hayden Iles, went on an overseas trip to Korea to the SOL NZ International Education Fair, to promote Murrays Bay School. The purpose was marketing our school and recruiting international students to our school and to build relationships with international student agents. The board funded the trip from income generated from international student fees.

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	257,928	322,850	227,841
Equipment Repairs	372	1,500	-
Information and Communication Technology	36,533	40,500	37,525
Library Resources	10,141	13,100	10,618
Employee Benefits - Salaries	4,449,941	3,601,000	4,039,513
Staff Development	36,822	44,000	18,107
Depreciation	153,538	140,000	122,041
	<u>4,945,275</u>	<u>4,162,950</u>	<u>4,455,645</u>

5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fees	9,283	9,283	9,013
Board Fees	2,965	3,500	2,965
Board Expenses	9,677	23,800	11,635
Intervention Costs & Expenses	50,667	42,000	10,505
Communication	3,517	5,549	3,289
Consumables	10,217	9,500	7,451
Operating Leases	-	-	2,875
Other	10,835	15,056	12,959
Employee Benefits - Salaries	251,387	283,000	273,160
Insurance	20,877	18,906	18,244
Service Providers, Contractors and Consultancy	16,068	16,068	15,600
	<u>385,493</u>	<u>426,662</u>	<u>367,696</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	23,291	27,500	19,835
Consultancy and Contract Services	71,622	69,000	65,957
Cyclical Maintenance	28,318	46,000	38,180
Grounds	20,133	29,500	16,225
Heat, Light and Water	35,307	40,000	29,240
Repairs and Maintenance	21,886	54,500	25,979
Use of Land and Buildings	1,551,028	1,665,950	1,665,950
Security	2,293	10,000	5,116
Employee Benefits - Salaries	70,235	96,100	82,068
	<u>1,824,113</u>	<u>2,038,550</u>	<u>1,948,550</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Bank Accounts	272,037	244,072	389,675
Cash and cash equivalents for Statement of Cash Flows	<u>272,037</u>	<u>244,072</u>	<u>389,675</u>

Of the \$272,037 Cash and Cash Equivalents, \$59,545 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	2,737	5,000	2,587
Receivables from the Ministry of Education	84,555	-	36,468
Interest Receivable	14,981	5,000	7,930
Teacher Salaries Grant Receivable	244,110	300,000	237,975
	<u>346,383</u>	<u>310,000</u>	<u>284,960</u>
Receivables from Exchange Transactions	17,718	10,000	10,517
Receivables from Non-Exchange Transactions	328,665	300,000	274,443
	<u>346,383</u>	<u>310,000</u>	<u>284,960</u>

9. Inventories

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	774	1,000	1,425
	<u>774</u>	<u>1,000</u>	<u>1,425</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	1,150,000	450,000	805,614
	<u>1,150,000</u>	<u>450,000</u>	<u>805,614</u>
Total Investments	<u>1,150,000</u>	<u>450,000</u>	<u>805,614</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements	572,654	-	-	-	(54,270)	518,384
Furniture and Equipment	150,290	54,489	(6,747)	-	(38,585)	159,447
Information and Communication Technology	33,580	20,332	(2,595)	-	(19,408)	31,909
Leased Assets	87,360	11,043	(938)	-	(36,009)	61,456
Library Resources	19,544	2,055	-	-	(5,266)	16,333
Balance at 31 December 2023	<u>863,428</u>	<u>87,919</u>	<u>(10,280)</u>	<u>-</u>	<u>(153,538)</u>	<u>787,529</u>

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	881,276	(362,892)	518,384	921,689	(349,035)	572,654
Furniture and Equipment	695,804	(536,357)	159,447	671,150	(520,860)	150,290
Information and Communication Technology	327,207	(295,298)	31,909	328,771	(295,191)	33,580
Leased Assets	124,031	(62,575)	61,456	115,795	(28,435)	87,360
Library Resources	58,848	(42,515)	16,333	80,163	(60,619)	19,544
Balance at 31 December 2023	2,087,166	(1,299,637)	787,529	2,117,568	(1,254,140)	863,428

12. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	30,876	50,000	45,120
Accruals	77,976	9,283	74,599
Banking Staffing Overuse	5,749	-	-
Employee Entitlements - Salaries	244,110	300,000	237,975
Employee Entitlements - Leave Accrual	14,882	10,000	14,936
	373,593	369,283	372,630
Payables for Exchange Transactions	373,593	369,283	372,630
	373,593	369,283	372,630

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	13,967	-	-
International Student Fees in Advance	170,100	-	97,017
Other revenue in Advance	1,029	-	25,734
	185,096	-	122,751

14. Provision for Cyclical Maintenance

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	98,077	98,077	232,511
Increase to the Provision During the Year	28,318	46,000	38,180
Use of the Provision During the Year	(24,840)	(28,800)	(172,614)
Provision at the End of the Year	101,555	115,277	98,077
Cyclical Maintenance - Current	52,200	57,000	28,800
Cyclical Maintenance - Non current	49,355	58,277	69,277
	101,555	115,277	98,077

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools quotes and invoices and has been review in the last three years by the MOE approved property consultant.

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	36,450	28,000	40,054
Later than One Year and no Later than Five Years	37,503	21,000	63,729
Later than Five Years	(6,456)	(4,000)	(12,102)
	<u>67,497</u>	<u>45,000</u>	<u>91,681</u>
Represented by			
Finance lease liability - Current	32,416	25,000	34,118
Finance lease liability - Non current	35,081	20,000	57,563
	<u>67,497</u>	<u>45,000</u>	<u>91,681</u>

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 project is included under cash and cash equivalents in note 7.

		2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Canopy 226977	<i>Completed</i>		(12,254)	27,021	(14,767)	-	-
Block 2 Stage 2	<i>In Progress</i>		-	-	(14,436)	-	(14,436)
Classroom Refurb 235530	<i>In Progress</i>		127,993	-	(145,189)	-	(17,196)
Uniform Store Demo 243347	<i>In Progress</i>		-	-	(1,117)	-	(1,117)
Roofing Wook 244096	<i>In Progress</i>		-	68,000	(8,455)	-	59,545
HVAC Replacement 242342	<i>Completed</i>		-	49,555	(49,555)	-	-
Fire & Security Alarm 244098	<i>In Progress</i>		-	-	(1,282)	-	(1,282)
BWOF 245340	<i>In Progress</i>		-	12,315	(14,020)	-	(1,705)
Totals			<u>115,739</u>	<u>156,891</u>	<u>(248,821)</u>	<u>-</u>	<u>23,809</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	59,545
Funds Receivable from the Ministry of Education	(35,736)

		2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
Canopy 226977	<i>In Progress</i>		1,152	-	(13,406)	-	(12,254)
Field Drainage 221762	<i>Completed</i>		23,273	12,834	(36,107)	-	-
Classroom Refurb 235530	<i>In Progress</i>		(1,148)	157,992	(28,851)	-	127,993
Data Loggers	<i>Completed</i>		-	3,776	(3,776)	-	-
Totals			<u>23,277</u>	<u>174,602</u>	<u>(82,140)</u>	<u>-</u>	<u>115,739</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	127,993
Funds Receivable from the Ministry of Education	(12,254)

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 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.

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	2,965	2,965
<i>Leadership Team</i> Remuneration Full-time equivalent members	530,861 4	495,951 4
Total key management personnel remuneration	533,826	498,916

There are six 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 (one member) and Property (three members) committees 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 1

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	160 - 170
Benefits and Other Emoluments	0 - 10	0 - 10
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
110 - 110	7.00	4.00
110 - 120	3.00	1.00
120 - 130	1.00	
	11.00	5.00

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

Holidays Act Compliance – Schools Payroll

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

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

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$108,522 (2022:\$168,444) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Canopy Project	281,895	281,895	-
Classroom Refurbishment	175,546	158,350	17,196
Uniform Store Demolition	50320	1,117	49,203
Roofing Work	68000	8,455	59,545
HVAC Replacement	49555	49,555	-
Carus Ltd	88100	-	88,100
Total	713,416	499,372	214,044

(b) Operating Commitments

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

- (a) operating lease of a EFTPOS Machine;
- (b) operating lease of a Vistab Machine;

	2023 Actual \$	2022 Actual \$
No later than One Year	1,139	2,821
	<u>1,139</u>	<u>2,821</u>

The total lease payments incurred during the period were \$1,139 (2022: \$2,821).

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	272,037	244,072	389,675
Receivables	346,383	310,000	284,960
Investments - Term Deposits	1,150,000	450,000	805,614
Total financial assets measured at amortised cost	<u>1,768,420</u>	<u>1,004,072</u>	<u>1,480,249</u>

Financial liabilities measured at amortised cost

Payables	373,593	369,283	372,630
Finance Leases	67,497	45,000	91,681
Total financial liabilities measured at amortised cost	<u>441,090</u>	<u>414,283</u>	<u>464,311</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.

Independent Auditor's Report

To the Readers of Murrays Bay School's Financial Statements

For the Year Ended 31 December 2023

The Auditor-General is the auditor of Murrays Bay School (the School). The Auditor-General has appointed me, Myriam Gros, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 31 May 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board's responsibilities, arise from section 134 of the Education and training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport statement, Statement of Compliance with employment policy, Employer responsibility policy, Members of the Board, Analysis of Variance Reporting and Te Tiriti o Waitangi (2023) 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.



Myriam Gros
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Auckland, New Zealand