

MATANGI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Ministry Number:	1814
Principal:	Bernard Butler
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Accountant / Service Provider:	Accounting For Schools Limited

MATANGI SCHOOL

Annual Report - For the year ended 31 December 2022

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MATANGI SCHOOL

Statement of Responsibility

For the year ended 31 December 2022

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

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

Karina McLuskie

Full Name of Presiding Member

Bernard Butler

Full Name of Principal

[Signature]

Signature of Presiding Member

[Signature]

Signature of Principal

4 December 2023

Date:

4/12/2023

Date:

MATANGI SCHOOL

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	1,674,336	1,478,833	1,456,183
Locally Raised Funds	3	203,339	187,700	148,546
Interest income		3,357	700	1,030
		<u>1,881,032</u>	<u>1,667,233</u>	<u>1,605,759</u>
Expenses				
Locally Raised Funds	3	117,501	117,155	114,506
Learning Resources	4	1,239,485	1,157,551	1,162,263
Administration	5	150,797	113,206	117,929
Finance		968	978	1,668
Property	6	278,142	340,002	264,276
Loss on Disposal of Property, Plant and Equipment		-	-	16
		<u>1,786,893</u>	<u>1,728,892</u>	<u>1,660,658</u>
Net Surplus / (Deficit) for the year		94,139	(61,659)	(54,899)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>94,139</u>	<u>(61,659)</u>	<u>(54,899)</u>

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

MATANGI SCHOOL

Statement of Changes in Net Assets/Equity For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Balance at 1 January	216,262	216,262	268,313
Total comprehensive revenue and expense for the year	94,139	(61,659)	(54,899)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	2,848
Equity at 31 December	310,401	154,603	216,262
Accumulated comprehensive revenue and expense	310,401	154,603	216,262
Equity at 31 December	310,401	154,603	216,262

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.

MATANGI SCHOOL

Statement of Financial Position As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	257,281	58,271	339,223
Accounts Receivable	8	91,942	75,000	75,521
GST Receivable		5,096	-	11,742
Prepayments		9,101	3,000	14,424
Inventories	9	7,897	5,000	6,043
Investments	10	50,000	50,000	50,000
Funds owed for Capital Works Projects	16	27,135	-	7,954
		448,452	191,271	504,907
Current Liabilities				
Accounts Payable	12	116,447	95,000	113,740
Revenue Received in Advance	13	160	-	-
Provision for Cyclical Maintenance	14	43,951	40,000	46,453
Finance Lease Liability	15	6,238	6,000	6,323
Funds held in Trust		1,444	1,500	1,444
Funds held for Capital Works Projects	16	115,223	-	258,578
		283,463	142,500	426,538
Working Capital Surplus/(Deficit)		164,989	48,771	78,369
Non-current Assets				
Property, Plant and Equipment	11	160,871	118,832	152,832
		160,871	118,832	152,832
Non-current Liabilities				
Provision for Cyclical Maintenance	14	4,983	3,000	3,738
Finance Lease Liability	15	10,476	10,000	11,201
		15,459	13,000	14,939
Net Assets		310,401	154,603	216,262
Equity		310,401	154,603	216,262

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



MATANGI SCHOOL

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		449,120	338,317	363,283
Locally Raised Funds		202,286	186,544	147,492
Goods and Services Tax (net)		6,646	11,742	(8,420)
Payments to Employees		(329,854)	(320,566)	(340,589)
Payments to Suppliers		(196,007)	(228,794)	(163,622)
Interest Paid		(968)	(978)	(1,668)
Interest Received		3,082	875	1,105
Net cash from Operating Activities		134,305	(12,860)	(2,419)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(52,901)	(16,000)	(8,610)
Proceeds from Sale of Investments		-	-	50,000
Net cash from Investing Activities		(52,901)	(16,000)	41,390
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	2,848
Finance Lease Payments		(810)	(1,524)	(5,562)
Funds Held on Behalf of Third Parties		(162,536)	(250,568)	215,530
Net cash from Financing Activities		(163,346)	(252,092)	212,816
Net increase/(decrease) in cash and cash equivalents		(81,942)	(280,952)	251,787
Cash and cash equivalents at the beginning of the year	7	339,223	339,223	87,436
Cash and cash equivalents at the end of the year	7	257,281	58,271	339,223

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

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

MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Matangi 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 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest 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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 20b.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward 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.

MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 comprise 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 not trivial.

MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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	10 years
Information and communication technology	5 years
Library resources	12.5% Diminishing value
Leased assets	Term of the 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 or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they 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.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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 benefits that are due to be settled within 12 months after the end of the period in which the employee renders 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 also 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 are recorded as revenue as the obligations are fulfilled and the fees earned.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

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 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 Revenue and Expense.

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

r) 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.

s) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, and finance lease liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

t) 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.

u) Budget Figures

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

v) 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.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	465,583	338,317	388,007
Teachers' Salaries Grants	997,131	889,899	883,703
Use of Land and Buildings Grants	202,961	250,617	184,073
Other Government Grants	8,661	-	400
	1,674,336	1,478,833	1,456,183

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	32,990	27,500	21,191
Fees for Extra Curricular Activities	27,228	40,000	28,835
Fundraising & Community Grants	28,929	12,700	11,946
Other Revenue	4,320	7,000	2,410
Out of School Care	89,359	80,000	66,486
Trading	20,513	20,500	17,678
	203,339	187,700	148,546
Expenses			
Extra Curricular Activities Costs	20,582	33,925	28,505
Fundraising & Community Grant Costs	2,603	2,350	4,989
Out of School Care	79,042	60,650	61,058
Trading	15,274	20,230	19,954
	117,501	117,155	114,506
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	85,838	70,545	34,040

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	14,206	23,720	20,603
Information and Communication Technology	5,482	10,500	4,728
Library Resources	1,196	1,200	1,149
Employee Benefits - Salaries	1,162,195	1,057,131	1,082,949
Staff Development	11,544	15,000	8,582
Depreciation	44,862	50,000	44,252
	1,239,485	1,157,551	1,162,263



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	5,268	5,795	3,578
Board of Trustees Fees	2,650	4,200	4,275
Board of Trustees Expenses	5,766	3,500	3,835
Communication	3,116	3,000	2,927
Consumables	4,705	3,100	2,597
Operating Lease	1,305	800	2,750
Other	18,259	15,841	14,158
Employee Benefits - Salaries	104,584	72,370	80,942
Insurance	1,863	2,000	-
Service Providers, Contractors and Consultancy	3,281	2,600	2,867
	<u>150,797</u>	<u>113,206</u>	<u>117,929</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	5,327	3,190	3,073
Consultancy and Contract Services	19,241	22,000	21,227
Cyclical Maintenance Provision	(1,257)	-	10,362
Grounds	10,802	15,700	13,106
Heat, Light and Water	10,170	11,450	10,495
Rates	3,163	3,612	2,886
Repairs and Maintenance	9,795	13,500	852
Use of Land and Buildings	202,961	250,617	184,073
Employee Benefits - Salaries	17,940	19,933	18,202
	<u>278,142</u>	<u>340,002</u>	<u>264,276</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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Bank Current Account	178,973	58,271	114,415
Bank Call Account	78,308	-	224,808
Cash and cash equivalents for Cash Flow Statement	<u>257,281</u>	<u>58,271</u>	<u>339,223</u>

Of the \$257,281 Cash and Cash Equivalents, \$115,223 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2023 on Crown owned school buildings under the School's Five Year Property Plan.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	5,057	5,000	3,844
Interest Receivable	450	-	175
Teacher Salaries Grant Receivable	86,435	70,000	71,502
	<u>91,942</u>	<u>75,000</u>	<u>75,521</u>
Receivables from Exchange Transactions	5,507	5,000	4,019
Receivables from Non-Exchange Transactions	86,435	70,000	71,502
	<u>91,942</u>	<u>75,000</u>	<u>75,521</u>

9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	627	-	645
School Uniforms	7,270	5,000	5,398
	<u>7,897</u>	<u>5,000</u>	<u>6,043</u>

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	13,679	632	-	-	(7,525)	6,786
Admin Furniture and Equipment	33,141	18,062	-	-	(8,549)	42,654
Classroom Furniture & Equipment	68,052	21,076	-	-	(14,784)	74,344
Information and Communication Tech	18,763	6,885	-	-	(7,878)	17,770
Leased Assets	10,244	6,246	-	-	(5,007)	11,483
Library Resources	8,953	-	-	-	(1,119)	7,834
Balance at 31 December 2022	152,832	52,901	-	-	(44,862)	160,871

The net carrying value of equipment held under a finance lease is \$11,483 (2021: \$10,244).

	2022	2022	2022	2021	2021	2021
	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	75,509	(68,723)	6,786	74,877	(61,198)	13,679
Admin Furniture and Equipment	130,873	(88,219)	42,654	112,811	(79,670)	33,141
Classroom Furniture & Equipment	190,351	(116,007)	74,344	169,275	(101,223)	68,052
Information and Communication Tech	70,836	(53,066)	17,770	63,951	(45,188)	18,763
Leased Assets	26,736	(15,253)	11,483	20,490	(10,246)	10,244
Library Resources	56,167	(48,333)	7,834	56,167	(47,214)	8,953
Balance at 31 December	550,472	(389,601)	160,871	497,571	(344,739)	152,832

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	15,548	15,000	31,907
Accruals	4,190	3,000	3,300
Employee Entitlements - Salaries	89,786	70,000	71,502
Employee Entitlements - Leave Accrual	6,923	7,000	7,031
	116,447	95,000	113,740
Payables for Exchange Transactions	116,447	95,000	113,740
	116,447	95,000	113,740

The carrying value of payables approximates their fair value.

MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other	160	-	-
	<u>160</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	50,191	50,191	41,853
Increase/ (decrease) to the Provision During the Year	(1,257)	-	10,362
Use of the Provision During the Year	-	(7,191)	(2,024)
Provision at the End of the Year	<u>48,934</u>	<u>43,000</u>	<u>50,191</u>
Cyclical Maintenance - Current	43,951	40,000	46,453
Cyclical Maintenance - Non current	4,983	3,000	3,738
	<u>48,934</u>	<u>43,000</u>	<u>50,191</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

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:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	7,283	6,000	7,400
Later than One Year and no Later than Five Years	11,247	10,000	12,321
Future Finance Charges	(1,816)	-	(2,197)
	<u>16,714</u>	<u>16,000</u>	<u>17,524</u>
Represented by			
Finance lease liability - Current	6,238	6,000	6,323
Finance lease liability - Non current	10,476	10,000	11,201
	<u>16,714</u>	<u>16,000</u>	<u>17,524</u>



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

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.

	2022	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
AMS Project	<i>in progress</i>	258,578	51,785	(335,408)	-	(25,045)
Development Plan	<i>in progress</i>	(2,090)	-	-	-	(2,090)
Totara Build	<i>in progress</i>	(5,864)	193,579	(72,492)	-	115,223
Totals		250,624	245,364	(407,900)	-	88,088

Represented by:

Funds Held on Behalf of the Ministry of Education	115,223
Funds Receivable from the Ministry of Education	(27,135)
	<u>88,088</u>

	2021	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$		\$
AMS Project	<i>in progress</i>	28,896	400,000	(170,318)	-	258,578
Special Needs Fencing	<i>completed</i>	8,288	-	(8,288)	-	-
Development Plan	<i>in progress</i>	(2,090)	-	-	-	(2,090)
Totara Build	<i>in progress</i>	-	-	(5,864)	-	(5,864)
Totals		35,094	400,000	(184,470)	-	250,624

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.



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

18. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	2,650	3,610
<i>Leadership Team</i>		
Remuneration	490,275	215,966
Full-time equivalent members	5.00	2.00
Total key management personnel remuneration	492,925	219,576

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	90 - 100
Benefits and Other Emoluments	3 - 4	0 - 1
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
110 - 120	1	1
	1	1

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



MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works:

(i) \$550,428 contract for the AMS project. \$495,625 has been received and \$520,670 has been spent on the project at balance date.

(ii) \$1,169,288 contract to build Totara Classroom. \$193,579 has been received and \$78,356 has been spent on the project at balance date.

(As at 31 December 2021 the Board has entered into the following contract agreements for capital works:

(i) a contract for design fees for the AMS project with a value of \$50,760. \$43,840 has been received and \$14,944 has been spent on the project at balance date.)

(b) Operating Commitments

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

(Operating commitments at 31 December 2021: \$Nil)

MATANGI SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2022

21. Financial Instruments

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

Financial assets measured at amortised cost

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	257,281	58,271	339,223
Receivables	91,942	75,000	75,521
Investments - Term Deposits	50,000	50,000	50,000
Total Financial assets measured at amortised cost	<u>399,223</u>	<u>183,271</u>	<u>464,744</u>

Financial liabilities measured at amortised cost

Payables	116,447	95,000	113,740
Finance Leases	16,714	16,000	17,524
Total Financial Liabilities Measured at Amortised Cost	<u>133,161</u>	<u>111,000</u>	<u>131,264</u>

22. Events After Balance Date

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

23. Comparatives

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

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF MATANGI SCHOOL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Matangi School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe New Zealand Audit Partnership, 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 20, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 5 December 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises of the Kiwisport Funding report and Statement of Compliance with Employment Policy but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Kurt Sherlock
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand

MATANGI SCHOOL

Members of the Board

For the year ended 31 December 2022

Name	Position	How position on Board gained	Occupation	Term expired/expires
Karina McLuskie	Presiding Member	Elected Sep 2022	Lawyer	September 2025
Bernard Butler	Principal	Appointed	Principal	
Brad Ward	Parent Rep	Re-elected Sep 2022	Community Facilities Team Leader	September 2025
Anna Tootill	Parent Rep	Re-elected Sep 2022	Barrister & Solicitor	September 2025
Andrew Mowbray	Parent Rep	Re-elected Sep 2022	IT Consultant	September 2025
Kat Osborne	Staff Rep	Elected Sep 2022		September 2025
Sarah Bourke	Health & Safety	Elected Sep 2022	Manager	September 2025
Joseph Lane	Parent Rep	Elected May 2016, re-elected May 2019	Associate Professor	September 2022
Casey Molloy	Parent Rep	Elected May 2019	National Sales Manager	September 2022

MATANGI SCHOOL

Kiwisport Statement

For the year ended 31 December 2022

Kiwisport is a Government funding initiative to support sport for school aged children

Our school received \$2,909 as part of the 2022 operational grant (2021: \$2,653) through this initiative to increase our student participation in organised sport.

Matangi School Statement of Compliance with Employment Policy

As of 31st December 2022, Matangi School has ensured the fair and proper treatment of its employees in all aspects of employment by:

- Confirming that policies and procedures relating to personnel have been reviewed.
- Confirming that it meets the requirements identified as best practice.
- Confirming that at all times it aims to be a good employer, complying with the conditions stated in all employee contracts.
- Confirming that all employees are treated fairly according to the skill, abilities and qualifications they bring without bias.
- Confirming that it meets all its Equal Employment Opportunities requirements.