

LONG BAY PRIMARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 1342

Principal: Robert Hutton

School Address: 23 Ralph Eagles Place, Torbay, North Shore City, Auckland 0630

School Postal Address: 23 Ralph Eagles Place, Torbay, North Shore City, Auckland 0630

School Phone: (09) 473 6077

School Email: admin@longbayprimary.ac.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Kylie Jackson-Cox	Presiding Member	Elected June 2019	September 2022
Robert Hutton	Principal ex Officio		
Harushini Welgemoed	Parent Representative	Elected June 2019	September 2025
Autumn Facer	Presiding Member	Elected June 2019	September 2025
David Clark	Parent Representative	Elected June 2019	September 2022
Rachael Randal	Parent Representative	Elected Sept 2022	September 2025
Olin Silander	Parent Representative	Elected Sept 2022	September 2025
Ellis Walker-Bell	Staff Representative	Elected June 2019	September 2025
Tere McGonagle-Daly	Parent Representative	Elected Sept 2022	September 2025

Accountant / Service Provider: Top Class Financial Management Services

LONG BAY PRIMARY

Annual Report - For the year ended 31 December 2022

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Long Bay Primary

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.

Autumn Facer
Full Name of Presiding Member


Signature of Presiding Member

08/06/2023
Date:

Robert Kevin Hutton
Full Name of Principal

R.K.H.
Signature of Principal

8/6/2023
Date:

Long Bay Primary

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	4,789,382	4,959,256	4,630,454
Locally Raised Funds	3	264,685	268,750	310,950
Interest Income		9,774	1,600	2,340
Total Revenue		5,063,841	5,229,606	4,943,744
Expenses				
Locally Raised Funds	3	121,083	152,640	89,173
Learning Resources	4	3,084,396	2,537,801	2,700,252
Administration	5	243,311	212,913	183,807
Finance		5,711	5,335	5,121
Property	6	1,651,990	2,414,494	1,777,547
Loss on Disposal of Property, Plant and Equipment		326	-	4,059
		5,106,817	5,323,183	4,759,959
Net Surplus / (Deficit) for the year		(42,976)	(93,577)	183,785
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(42,976)	(93,577)	183,785

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

Long Bay Primary

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,012,030	1,012,030	817,428
Total comprehensive revenue and expense for the year		(42,976)	(93,577)	183,785
Contributions from the Ministry of Education		-	-	
Contribution - Furniture and Equipment Grant		-	-	10,817
Equity at 31 December		969,054	918,453	1,012,030
Accumulated comprehensive revenue and expense		969,054	918,453	1,012,030
Reserves		-	-	-
Equity at 31 December		969,054	918,453	1,012,030

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.

Long Bay Primary

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	381,732	402,186	553,380
Accounts Receivable	8	227,081	165,010	165,010
GST Receivable		16,187	7,936	7,936
Prepayments		13,114	3,410	3,410
Inventories	9	190	137	137
Investments	10	502,647	204,146	204,146
Funds Receivable for Capital Works Projects	16	10,127	-	-
		1,151,078	782,825	934,019
Current Liabilities				
GST Payable		-	-	-
Accounts Payable	12	292,501	215,835	215,835
Revenue Received in Advance	13	38,239	817	817
Provision for Cyclical Maintenance	14	88,321	50,423	50,423
Finance Lease Liability	15	28,134	25,609	28,396
Funds held for Capital Works Projects	16	184,817	45,000	45,000
		632,012	337,684	340,471
Working Capital Surplus/(Deficit)		519,066	445,141	593,548
Non-current Assets				
Property, Plant and Equipment	11	511,727	571,967	521,967
Intangible Assets		-	-	-
		511,727	571,967	521,967
Non-current Liabilities				
Provision for Cyclical Maintenance	14	50,109	91,752	70,973
Finance Lease Liability	15	11,630	6,903	32,512
		61,739	98,655	103,485
Net Assets		969,054	918,453	1,012,030
Equity		969,054	918,453	1,012,030

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

Long Bay Primary

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		850,108	727,818	628,879
Locally Raised Funds		189,388	257,750	285,066
International Students		50,648	11,000	20,054
Goods and Services Tax (net)		(8,251)	-	4,804
Payments to Employees		(491,245)	(467,898)	(362,713)
Payments to Suppliers		(484,491)	(504,380)	(435,151)
Interest Paid		(5,711)	(5,335)	(5,121)
Interest Received		9,774	1,600	3,322
Net cash from/(to) Operating Activities		110,220	20,555	139,140
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(91,913)	(143,353)	(65,486)
Purchase of Investments		(298,501)	-	101,385
Net cash from/(to) Investing Activities		(390,414)	(143,353)	35,899
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	10,817
Finance Lease Payments		(21,144)	(28,396)	(24,319)
Funds Administered on Behalf of Third Parties		129,690	-	(82,338)
Net cash from/(to) Financing Activities		108,546	(28,396)	(95,840)
Net increase/(decrease) in cash and cash equivalents		(171,648)	(151,194)	79,199
Cash and cash equivalents at the beginning of the year	7	553,380	553,380	474,181
Cash and cash equivalents at the end of the year	7	381,732	402,186	553,380

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

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

Long Bay Primary

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Long Bay Primary (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 expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. "This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. "During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

c) Revenue Recognition**Government Grants**

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

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

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and comprised of stationery and school 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.

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	10–50 years
Furniture and equipment	4–10 years
Information and communication technology	4–10 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and bonds 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.

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. (If this statement is incorrect please delete)

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.

s) Provision for Cyclical Maintenance

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

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

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

t) Financial Instruments

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

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.

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	729,862	681,044	632,150
Teachers' Salaries Grants	2,520,114	2,053,483	2,336,766
Use of Land and Buildings Grants	1,419,160	2,177,955	1,588,807
Other Government Grants	120,246	46,774	72,731
	<u>4,789,382</u>	<u>4,959,256</u>	<u>4,630,454</u>

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	80,218	73,350	137,588
Curriculum related Activities - Purchase of goods and services	116,680	125,600	99,311
Fees for Extra Curricular Activities	322	-	-
Trading	1,071	400	580
Fundraising & Community Grants	52,667	58,400	46,319
International Student Fees	13,727	11,000	27,152
	<u>264,685</u>	<u>268,750</u>	<u>310,950</u>
Expenses			
Extra Curricular Activities Costs	322	-	-
Trading	42	400	288
Fundraising and Community Grant Costs	8,658	10,000	6,771
Other Locally Raised Funds Expenditure	111,109	141,680	80,443
International Student - Other Expenses	952	560	1,671
	<u>121,083</u>	<u>152,640</u>	<u>89,173</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>143,602</u>	<u>116,110</u>	<u>221,777</u>

During the year the School hosted 4 International students (2021:3)

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	53,022	49,367	27,178
Equipment Repairs	665	-	-
Information and Communication Technology	37,781	41,710	33,681
Library Resources	3,594	3,850	3,401
Employee Benefits - Salaries	2,870,180	2,322,581	2,518,886
Staff Development	10,134	26,940	13,989
Depreciation	109,020	93,353	103,117
	<u>3,084,396</u>	<u>2,537,801</u>	<u>2,700,252</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	7,475	7,475	7,258
Board Fees	3,105	3,240	2,925
Board Expenses	6,310	10,200	9,125
Communication	3,425	4,500	3,005
Consumables	18,435	17,640	9,311
Operating Lease	-	-	247
Other	19,764	18,500	15,979
Employee Benefits - Salaries	164,334	131,800	116,981
Insurance	10,763	10,058	8,744
Service Providers, Contractors and Consultancy	9,700	9,500	10,232
	<u>243,311</u>	<u>212,913</u>	<u>183,807</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	17,944	19,700	15,827
Consultancy and Contract Services	68,217	66,000	58,694
Cyclical Maintenance Provision	17,034	20,779	(1,562)
Grounds	13,772	12,000	11,042
Heat, Light and Water	27,274	26,500	19,815
Rates	-	60	-
Repairs and Maintenance	20,508	23,500	20,061
Use of Land and Buildings	1,419,160	2,177,955	1,588,807
Security	1,256	1,000	1,925
Employee Benefits - Salaries	66,825	67,000	62,938
	<u>1,651,990</u>	<u>2,414,494</u>	<u>1,777,547</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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	131,732	402,186	553,380
Short-term Bank Deposits	250,000	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>381,732</u>	<u>402,186</u>	<u>553,380</u>

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

Of the \$381,732 Cash and Cash Equivalents, \$184,187 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 2023 on Crown owned school buildings.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	661	480	480
Receivables from the Ministry of Education	23,563	-	-
Interest Receivable	3,523	725	725
Teacher Salaries Grant Receivable	199,334	163,805	163,805
	<u>227,081</u>	<u>165,010</u>	<u>165,010</u>
Receivables from Exchange Transactions	4,184	1,205	1,205
Receivables from Non-Exchange Transactions	222,897	163,805	163,805
	<u>227,081</u>	<u>165,010</u>	<u>165,010</u>

9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	190	137	137
	<u>190</u>	<u>137</u>	<u>137</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	502,647	204,146	204,146
Total Investments	<u>502,647</u>	<u>204,146</u>	<u>204,146</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	175,191	-	-	-	(9,917)	165,274
Furniture and Equipment	213,319	64,475	-	-	(41,708)	236,086
Information and Communication Technology	60,197	24,160	-	-	(27,950)	56,407
Leased Assets	60,246	8,035	-	-	(27,555)	40,726
Library Resources	13,014	3,278	(1,168)	-	(1,890)	13,234
Balance at 31 December 2022	521,967	99,948	(1,168)	-	(109,020)	511,727

The net carrying value of furniture and equipment held under a finance lease is \$40,726 (2021: \$60,245)

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	451,044	(285,770)	165,274	451,044	(275,853)	175,191
Furniture and Equipment	815,060	(578,973)	236,087	744,020	(530,698)	213,322
Information and Communication Textbooks	443,459	(387,051)	56,408	419,299	(359,102)	60,197
Leased Assets	155,946	(115,220)	40,726	147,910	(87,665)	60,245
Library Resources	41,065	(27,833)	13,232	41,514	(28,502)	13,012
Balance at 31 December	1,906,574	(1,394,847)	511,727	1,810,352	(1,288,385)	521,967

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	24,253	38,284	38,284
Accruals	5,475	4,758	4,758
Banking Staffing Overuse	41,782	-	-
Employee Entitlements - Salaries	210,809	163,805	163,805
Employee Entitlements - Leave Accrual	10,182	8,988	8,988
	<u>292,501</u>	<u>215,835</u>	<u>215,835</u>
Payables for Exchange Transactions	292,501	215,835	215,835
	<u>292,501</u>	<u>215,835</u>	<u>215,835</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
International Student Fees in Advance	36,921	-	-
Other revenue in Advance	1,318	817	817
	<u>38,239</u>	<u>817</u>	<u>817</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	121,396	121,396	122,958
Increase to the Provision During the Year	17,034	20,779	(1,562)
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	138,430	142,175	121,396
Cyclical Maintenance - Current	88,321	50,423	50,423
Cyclical Maintenance - Non current	50,109	91,752	70,973
	138,430	142,175	121,396

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan and painting quotes.

15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	29,053	25,609	28,396
Later than One Year and no Later than Five Years	11,673	6,903	32,512
Future Finance Charges	(962)	-	-
	39,764	32,512	60,908
Represented by			
Finance lease liability - Current	28,134	25,609	28,396
Finance lease liability - Non current	11,630	6,903	32,512
	39,764	32,512	60,908

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.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Roof Replacement	45,000	1,535	(50,128)	-	(3,593)
Library Cladding	-	45,000	-	-	45,000
P/A Bell System	-	54,000	(32,995)	-	21,005
Block 1 refit	-	397,009	(317,456)	-	79,553
Drainage & CCTV	-	9,000	(8,680)	-	320
DB & Heating	-	34,800	(43,936)	9,136	-
Entrance & Gate	-	-	(6,534)	-	(6,534)
SIP Play based Learning	-	39,224	(285)	-	38,939
Totals	45,000	580,568	(460,014)	9,136	174,690

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Receivable from the Ministry of Education

184,817
(10,127)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Roof Replacement	-	45,000	-	-	45,000
SIP Playground Matting	827	5,173	6,000	-	-
SIP Astro Turf	126,511	-	126,511	-	-
Totals	127,338	50,173	132,511	-	45,000

Represented by:

Funds Held on Behalf of the Ministry of Education

45,000

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.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,105	2,925
<i>Leadership Team</i>		
Remuneration	429,281	338,180
Full-time equivalent members	4	3
Total key management personnel remuneration	432,386	341,105

There are 6 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance member that meet regularly with the full board meetings. 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	150 - 160
Benefits and Other Emoluments	4 - 5	20 - 25

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	4	3
	4	3

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:

	2022 Actual \$0	2021 Actual \$0
Total		
Number of People	-	-

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets 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.

21. Commitments

(a) Capital Commitments

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

(a) \$50,000 contract for Roof Replacement, which will be fully funded by the Ministry of Education. \$45,000 has been received of which \$46,535 has been spent on the project to date; and Roof Replacement Remediation has a cost of \$3,593 waiting to be reimbursed by insurance company.

(b) \$50,000 contract to have the Cladding Replacement for the Library upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$45,000 has been received of which \$0.00 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$34,800 contract to Upgrade the DB & Heating as agent for the Ministry of Education. The project is fully funded by the Ministry and \$34,800 has been received of which \$34,800 has been spent on the project to balance date. This project has been approved by the Ministry.

(d) \$9,000 contract to Upgrade the Drainage & CCTV as agent for the Ministry of Education. The project is fully funded by the Ministry and \$9,000 has been received of which \$8,680 has been spent on the project to balance date. This project has been approved by the Ministry.

(e) \$25,000 contract to Upgrade the Entrance & Gate as agent for the Ministry of Education. The project is fully funded by the Ministry and \$0.00 has been received of which \$6,534 has been spent on the project to balance date. This project has been approved by the Ministry.

(f) \$60,000 contract to Upgrade the PA/Bell System as agent for the Ministry of Education. The project is fully funded by the Ministry and \$54,000 has been received of which \$32,995 has been spent on the project to balance date. This project has been approved by the Ministry.

(g) \$43,582 contract to SIP Playbased Learning as agent for the Ministry of Education. The project is partially funded by the Ministry and \$39,224 has been received of which \$285 has been spent on the project to balance date. This project has been approved by the Ministry.

(h) \$441,121 contract to Block 1 refit as agent for the Ministry of Education. The project is fully funded by the Ministry and \$397,009 has been received of which \$317,456 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2021: \$45,000)

(b) Operating Commitments

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

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	381,732	402,186	553,380
Receivables	227,081	165,010	165,010
Investments - Term Deposits	502,647	204,146	204,146
Total Financial assets measured at amortised cost	1,111,460	771,342	922,536

Financial liabilities measured at amortised cost

Payables	292,501	215,835	215,835
Borrowings - Loans	-	-	-
Finance Leases	39,764	32,512	60,908
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	332,265	248,347	276,743

23. Events After Balance Date

On Friday 27 January 2023 the admin building including offices, staffroom, resource room, boardroom and staff toilets were flooded. The school library slab has also been compromised and the sewerage system sustained excessive amounts of water over it. We have dried out the walls having removed the skirting boards and some wall linings. A large quantity of wooden furniture that was in these rooms was damaged by water along with the floor coverings and other electrical appliances.

The furniture replacement off approximately of \$45,000 will be fully funded by the insurance.

Independent Auditor's Report

To the Readers of Long Bay Primary School's Financial Statements

For the Year Ended 31 December 2022

The Auditor-General is the auditor of Long Bay Primary School (the School). The Auditor-General has appointed me, Bonita Swanepoel, 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 22, 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 15 June 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the 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 arise 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 Report, Statement of Compliance with Employment Policy, Members of the Board of Trustees and Analyses of Variance, 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.



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