

Fairburn School

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Ministry Number:	1271
Principal:	Paula Passfield
School Address:	10 Pukeora Road, Otahuhu, Auckland 1062
School Postal Address:	10 Pukeora Road, Otahuhu, Auckland 1062
School Phone:	09 270 1133
School Email:	lanas@fairburn.school.nz
Accountant / Service Provider:	School Finance Hub

Fairburn School

Members of the Board of Trustees

For the year ended 31 December 2022

Name	Position	How position Gained	Term Expired/Expires
Donna Wynd	Chairperson	Elected	Aug-22
Adrienne Vickers	Deputy Chair/Chair Aug 2022	Parent Elected	2025
Solomone Mahe	Member	Parent elected	2025
Molini Telua	Member	Parent elected	2025
Rafael Lee	Member	Parent elected	2025
Natasha Pritchard	Staff Representative	Staff elected	2025
Paula Passfield	Principal	Principal	
Shabnam Nisha	Member	Parent Elected	2025

Fairburn School

Annual Report - For the year ended 31 December 2022

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Fairburn 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.

ADRIENNE VIKERS
Full Name of Presiding Member

Paula Passfield
Full Name of Principal


Signature of Presiding Member


Signature of Principal

31st May 2023
Date:

31st May 2023
Date:

Fairburn 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	4,766,630	6,134,548	4,965,002
Locally Raised Funds	3	66,125	65,400	49,507
Interest Income		23,322	14,000	10,097
Total Revenue		4,856,077	6,213,948	5,024,606
Expenses				
Locally Raised Funds	3	80,276	76,700	76,196
Learning Resources	4	3,276,639	4,381,600	3,635,516
Administration	5	291,110	228,760	249,524
Finance		4,048	1,200	4,313
Property	6	1,074,789	1,557,100	1,102,470
Loss on Disposal of Property, Plant and Equipment		2,917	-	106
Total Expenses		4,729,779	6,245,360	5,068,125
Net Surplus / (Deficit) for the year		126,298	(31,412)	(43,519)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		126,298	(31,412)	(43,519)

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

Fairburn School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,692,221	1,692,221	1,735,740
Total comprehensive revenue and expense for the year		126,298	(31,412)	(43,519)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		12,435	-	-
Equity at 31 December		1,830,954	1,660,809	1,692,221
Accumulated comprehensive revenue and expense		1,830,954	1,660,809	1,692,221
Equity at 31 December		1,830,954	1,660,809	1,692,221

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.

Fairburn School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	38,087	74,350	55,949
Accounts Receivable	8	258,573	249,500	250,933
GST Receivable		23,678	20,000	21,839
Prepayments		12,090	1,500	1,479
Inventories	9	4,555	2,000	2,290
Investments	10	1,150,218	900,000	1,043,911
Funds Receivable for Capital Works Projects	16	21,142	-	11,420
		<u>1,508,343</u>	<u>1,247,350</u>	<u>1,387,821</u>
Current Liabilities				
Accounts Payable	12	348,064	415,000	433,913
Revenue Received in Advance	13	7,343	-	16,653
Provision for Cyclical Maintenance	14	57,840	36,705	34,902
Finance Lease Liability	15	20,466	20,000	17,967
Funds held for Capital Works Projects	16	-	-	47,829
		<u>433,713</u>	<u>471,705</u>	<u>551,264</u>
Working Capital Surplus/(Deficit)		1,074,630	775,645	836,557
Non-current Assets				
investments	10	-	104,500	-
Property, Plant and Equipment	11	981,098	991,088	1,061,088
		<u>981,098</u>	<u>1,095,588</u>	<u>1,061,088</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	206,510	193,224	180,358
Finance Lease Liability	15	18,264	17,200	25,066
		<u>224,774</u>	<u>210,424</u>	<u>205,424</u>
Net Assets		<u><u>1,830,954</u></u>	<u><u>1,660,809</u></u>	<u><u>1,692,221</u></u>
Equity		<u><u>1,830,954</u></u>	<u><u>1,660,809</u></u>	<u><u>1,692,221</u></u>

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

Fairburn School

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		1,387,049	1,410,427	1,477,470
Locally Raised Funds		70,606	62,868	52,369
Goods and Services Tax (net)		(1,839)	1,839	(28,150)
Payments to Employees		(654,827)	(769,267)	(832,637)
Payments to Suppliers		(595,675)	(568,437)	(406,425)
Cyclical Maintenance Payments in the year		-	(40,631)	(69,343)
Interest Paid		(4,048)	(1,200)	(4,313)
Interest Received		13,648	15,633	8,134
Net cash from/(to) Operating Activities		214,914	111,232	197,105
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(63,504)	(84,564)	(139,415)
Purchase of Investments		(106,307)	143,911	(42,369)
Proceeds from Sale of Investments		-	(104,500)	-
Net cash from/(to) Investing Activities		(169,811)	(45,153)	(181,784)
Cash flows from Financing Activities				
Furniture and Equipment Grant		12,435	-	-
Finance Lease Payments		(17,849)	(11,269)	(24,041)
Funds Administered on Behalf of Third Parties		(57,551)	(36,409)	(100,910)
Net cash from/(to) Financing Activities		(62,965)	(47,678)	(124,951)
Net increase/(decrease) in cash and cash equivalents		(17,862)	18,401	(109,630)
Cash and cash equivalents at the beginning of the year	7	55,949	55,949	165,579
Cash and cash equivalents at the end of the year	7	38,087	74,350	55,949

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.

Fairburn School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Fairburn 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 reports 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.

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

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 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.

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

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:

Buildings - School	10-75 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

k) Impairment of property, plant, and equipment

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 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 assets'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 the valuer's approach to determining market value.

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.

l) 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.

m) 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.

n) Revenue Received in Advance

Revenue received in advance during 2021 relates to fees received from MOE funding and unspent grant carried forward 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 the above revenue received in advance, should the School be unable to provide the services to which they relate.

o) 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's five year capital works agreement. These funds are held on behalf and for a specified purpose, as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

p) Provision for Cyclical Maintenance

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

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

The School carries out painting maintenance of the whole school over a 7-10 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.

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

q) 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 and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain on derecognition are recognised in surplus or deficit.

r) 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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) 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.

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	1,405,842	1,422,548	1,477,616
Teachers' Salaries Grants	2,620,983	3,510,000	2,737,432
Use of Land and Buildings Grants	739,805	1,200,000	749,954
Other Government Grants	-	2,000	-
	<u>4,766,630</u>	<u>6,134,548</u>	<u>4,965,002</u>

The school has opted in to the donations scheme for this year. Total amount received was \$76,650.

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	7,259	-	-
Fees for Extra Curricular Activities	765	1,500	564
Trading	51,599	61,500	45,097
Other Revenue	6,502	2,400	3,846
	<u>66,125</u>	<u>65,400</u>	<u>49,507</u>
Expenses			
Extra Curricular Activities Costs	797	1,500	616
Trading	79,479	75,200	75,580
	<u>80,276</u>	<u>76,700</u>	<u>76,196</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>(14,151)</u>	<u>(11,300)</u>	<u>(26,689)</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	73,518	101,300	97,883
Equipment Repairs	444	500	1,472
Information and Communication Technology	36,406	52,400	34,415
Library Resources	-	400	42
Employee Benefits - Salaries	2,970,654	4,026,500	3,308,651
Staff Development	36,822	40,500	11,368
Depreciation	158,795	160,000	181,685
	<u>3,276,639</u>	<u>4,381,600</u>	<u>3,635,516</u>

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	7,169	6,200	6,960
Board Fees	2,677	3,760	2,740
Board Expenses	5,570	3,100	1,138
Communication	4,626	5,150	5,102
Consumables	5,239	3,550	3,819
Other	17,975	13,100	16,464
Employee Benefits - Salaries	230,743	179,400	189,774
Insurance	8,981	5,800	9,683
Service Providers, Contractors and Consultancy	8,130	8,700	13,844
	<u>291,110</u>	<u>228,760</u>	<u>249,524</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	25,807	25,000	23,606
Consultancy and Contract Services	88,845	75,000	78,900
Cyclical Maintenance Provision	49,090	55,300	122,174
Grounds	8,500	10,300	7,180
Heat, Light and Water	33,243	52,500	26,267
Repairs and Maintenance	48,894	53,500	22,023
Use of Land and Buildings	739,805	1,200,000	749,954
Security	12,403	12,500	10,231
Employee Benefits - Salaries	68,202	73,000	62,135
	<u>1,074,789</u>	<u>1,557,100</u>	<u>1,102,470</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	38,087	74,350	55,949
Cash and cash equivalents for Statement of Cash Flows	<u>38,087</u>	<u>74,350</u>	<u>55,949</u>

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	330	-	-
Interest Receivable	13,807	2,500	4,133
Teacher Salaries Grant Receivable	244,436	247,000	246,800
	<u>258,573</u>	<u>249,500</u>	<u>250,933</u>
Receivables from Exchange Transactions	14,137	2,500	4,133
Receivables from Non-Exchange Transactions	244,436	247,000	246,800
	<u>258,573</u>	<u>249,500</u>	<u>250,933</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	4,555	2,000	2,290
	<u>4,555</u>	<u>2,000</u>	<u>2,290</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	1,150,218	900,000	1,043,911
Non-current Asset			
Long-term Bank Deposits	-	104,500	-
Total Investments	<u>1,150,218</u>	<u>1,004,500</u>	<u>1,043,911</u>

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings - School	541,623	11,950	-	-	(21,800)	531,773
Furniture and Equipment	356,360	45,461	-	-	(79,666)	322,155
Information and Communication Technology	94,325	6,265	-	-	(32,775)	67,815
Leased Assets	43,482	17,125	-	-	(21,641)	38,966
Library Resources	25,298	921	(2,917)	-	(2,913)	20,389
Balance at 31 December 2022	1,061,088	81,722	(2,917)	-	(158,795)	981,098

The net carrying value of furniture and equipment held under a finance lease is \$38,966 (2021: \$43,482)

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings - School	877,086	(345,313)	531,773	865,136	(323,513)	541,623
Furniture and Equipment	1,202,795	(880,638)	322,157	1,157,333	(800,973)	356,360
Information and Communication Technology	593,680	(525,867)	67,813	587,416	(493,091)	94,325
Leased Assets	148,110	(109,143)	38,967	134,564	(91,082)	43,482
Library Resources	68,177	(47,789)	20,388	76,023	(50,725)	25,298
Balance at 31 December	2,889,848	(1,908,750)	981,098	2,820,472	(1,759,384)	1,061,088

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	36,543	100,000	105,247
Accruals	12,929	8,000	21,499
Employee Entitlements - Salaries	240,982	250,000	250,033
Employee Entitlements - Leave Accrual	57,610	57,000	57,134
	<u>348,064</u>	<u>415,000</u>	<u>433,913</u>
Payables for Exchange Transactions	348,064	415,000	433,913
	<u>348,064</u>	<u>415,000</u>	<u>433,913</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Grants in Advance - Ministry	-	-	14,121
Other	7,343	-	2,532
	<u>7,343</u>	<u>-</u>	<u>16,653</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	215,260	215,260	162,429
Increase to the Provision During the Year	49,090	55,300	122,174
Use of the Provision During the Year	-	(40,631)	(69,343)
Provision at the End of the Year	<u>264,350</u>	<u>229,929</u>	<u>215,260</u>
Cyclical Maintenance - Current	57,840	36,705	34,902
Cyclical Maintenance - Non current	206,510	193,224	180,358
	<u>264,350</u>	<u>229,929</u>	<u>215,260</u>

The school's 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 and quotes from a painter.

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

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	23,165	21,000	21,109
Later than One Year and no Later than Five Years	19,276	20,200	27,226
Future Finance Charges	(3,711)	(4,000)	(5,302)
	<u>38,730</u>	<u>37,200</u>	<u>43,033</u>
Represented by			
Finance lease liability - Current	20,466	20,000	17,967
Finance lease liability - Non current	18,264	17,200	25,066
	<u>38,730</u>	<u>37,200</u>	<u>43,033</u>

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

	2022	Opening Balances \$	Receipts / Receivable from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Sewer Drainage		(11,420)	12,170	(750)	-	-
Concrete Remediation		267	(267)	-	-	-
Play Equipment & Matting		47,562	-	(48,040)	-	(478)
Site Fire & Security Upgrade		-	5,395	(12,185)	-	(6,790)
Block 10 Upgrade		-	-	(8,900)	-	(8,900)
Drainage Works		-	-	(4,974)	-	(4,974)
Totals		<u>36,409</u>	<u>17,298</u>	<u>(74,849)</u>	<u>-</u>	<u>(21,142)</u>

Represented by:

Funds Receivable from the Ministry of Education (21,142)

	2021	Opening Balances \$	Receipts / Receivable from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Breakout space Block 13		(8,451)	8,451	-	-	-
Sewer Drainage		(11,120)	-	(300)	-	(11,420)
Block 10 Built in Storage		43,713	(1,343)	(42,370)	-	-
Hall Refurbishment		19,076	(1,541)	(38,151)	20,616	-
Concrete Remediation		23,818	-	(23,551)	-	267
Outdoor Shade Structure		74,031	(97)	(73,934)	-	-
Play Equipment & Matting		(3,748)	167,501	(116,191)	-	47,562
Totals		<u>137,319</u>	<u>172,971</u>	<u>(294,497)</u>	<u>20,616</u>	<u>36,409</u>

Represented by:

Funds Held on Behalf of the Ministry of Education 47,829
Funds Receivable from the Ministry of Education (11,420)

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i> Remuneration	2,677	2,740
<i>Leadership Team</i> Remuneration	482,993	465,898
Full-time equivalent members	4	4
Total key management personnel remuneration	<u>485,670</u>	<u>468,638</u>

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.

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	150-160	150-160
Benefits and Other Emoluments	0-5	0-5
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
100-110	2.00	2.00
120-130	1.00	-
	<u>3.00</u>	<u>2.00</u>

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

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

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	2021 Actual
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.

Additional Funding wash up payment

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides and support staff employed in 2022.

The Ministry is in the process of determining the amount of the final wash up calculation for the year ended 31 December 2022 and the impact of the final calculation on the financial statements is unable to be determined at the date of reporting. The School has therefore not recognised this wash up in its financial statements. The wash up is expected to be completed in July 2023.

21. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into no contract agreements for capital works.

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

Fairburn School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2022

22. Financial Instruments

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	38,087	74,350	55,949
Receivables	258,573	249,500	250,933
Investments - Term Deposits	1,150,218	1,004,500	1,043,911
Total Financial Assets Measured at Amortised Cost	<u>1,446,878</u>	<u>1,328,350</u>	<u>1,350,793</u>
Financial liabilities measured at amortised cost			
Payables	348,064	415,000	433,913
Finance Leases	38,730	37,200	43,033
Total Financial Liabilities Measured at Amortised Cost	<u>386,794</u>	<u>452,200</u>	<u>476,946</u>

23. Events After Balance Date

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

24. Comparatives

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