

Lincoln Heights School

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Ministry Number:	1341
Principal:	Leisha Byrnes
School Address:	Keegan Drive, Auckland
School Postal Address:	PO Box 79193, Waitakere 0656
School Phone:	09 832 7480
School Email:	lhs@lincolnheights.school.nz
Accountant / Service Provider:	School Finance Hub

Board information 2024

Lincoln Heights School

Name	Position	How position	Term Expires
Leisha Byrnes	Principal		
Raewyn Clark	Presiding Member	Elected	2026
Ben Lynch	Dep Presiding Mbr	Co-opted	2024
Gordon Irving	Staff Trustee	Elected	2025
Kiri McCabe	Parent Rep	Elected	2025
Doreen Retimana Resigned Apr-24	Parent Rep	Co-opted	2024
Ken Tuioti	Parent Rep	Elected	2025
Sarah Pope	Parent Rep	Elected	2026
Robert Walker	Parent Rep	Selection	2026
Maria Sydney	Parent Rep	Co-opted	2026

Lincoln Heights School

Annual Financial Statements - For the year ended 31 December 2024

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Lincoln Heights School

Statement of Responsibility

For the year ended 31 December 2024

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 2024 fairly reflects the financial position and operations of the School.

The School's 2024 financial statements are authorised for issue by the Board.

Raewyn Jan Clark

Full Name of Presiding Member



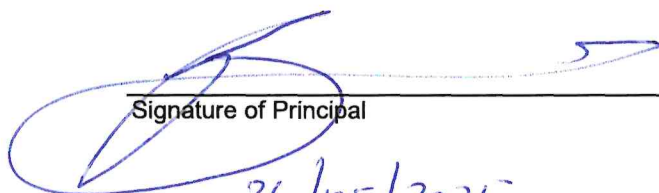
Signature of Presiding Member

26/5/25

Date:

Leisha Michelle Anne Byrnes

Full Name of Principal



Signature of Principal

26/05/2025

Date:

Lincoln Heights School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Revenue				
Government Grants	2	7,461,999	5,845,745	6,519,398
Locally Raised Funds	3	137,711	90,808	88,912
Interest		108,859	60,000	76,363
Other Revenue		1,073	-	-
Total Revenue		<u>7,709,642</u>	<u>5,996,553</u>	<u>6,684,673</u>
Expense				
Locally Raised Funds	3	11,847	3,000	26,411
Learning Resources	4	4,910,606	4,338,174	4,214,484
Administration	5	937,931	757,551	897,272
Interest		3,201	3,575	3,127
Property	6	1,165,519	986,111	1,088,162
Loss on Disposal of Property, Plant and Equipment		3,488	-	6,317
Total Expense		<u>7,032,592</u>	<u>6,088,411</u>	<u>6,235,773</u>
Net Surplus / (Deficit) for the year		677,050	(91,858)	448,900
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>677,050</u></u>	<u><u>(91,858)</u></u>	<u><u>448,900</u></u>

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

Lincoln Heights School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Equity at 1 January		<u>2,373,239</u>	<u>2,373,239</u>	<u>1,977,411</u>
Total comprehensive revenue and expense for the year		677,050	(91,858)	448,900
Distributions to the Ministry of Education		-	-	(91,135)
Contribution - Furniture and Equipment Grant		20,473	-	38,063
Equity at 31 December		<u>3,070,762</u>	<u>2,281,381</u>	<u>2,373,239</u>
Accumulated comprehensive revenue and expense		3,070,762	2,281,381	2,373,239
Equity at 31 December		<u>3,070,762</u>	<u>2,281,381</u>	<u>2,373,239</u>

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.

Lincoln Heights School

Statement of Financial Position

As at 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Current Assets				
Cash and Cash Equivalents	7	1,526,195	685,368	719,130
Accounts Receivable	8	332,478	256,700	281,520
GST Receivable		77,133	10,000	6,320
Prepayments		32,959	5,000	4,453
Investments	9	1,400,000	1,467,000	1,467,000
Funds Receivable for Capital Works Projects	15	5,250	-	37,239
		3,374,015	2,424,068	2,515,662
Current Liabilities				
Accounts Payable	11	691,096	342,000	367,845
Revenue Received in Advance	12	63,321	70,000	96,559
Provision for Cyclical Maintenance	13	163,296	5,488	44,904
Finance Lease Liability	14	18,041	18,000	18,677
Funds held for Capital Works Projects	15	277,759	-	2,164
Funds held on behalf of Te Kahui ako o Tiriwa Cluster	16	57,287	-	17,711
		1,270,800	435,488	547,860
Working Capital Surplus/(Deficit)		2,103,215	1,988,580	1,967,802
Non-current Assets				
Property, Plant and Equipment	10	1,097,630	535,904	588,905
		1,097,630	535,904	588,905
Non-current Liabilities				
Provision for Cyclical Maintenance	13	87,181	206,103	174,576
Finance Lease Liability	14	42,902	37,000	8,892
		130,083	243,103	183,468
Net Assets		3,070,762	2,281,381	2,373,239
Equity		3,070,762	2,281,381	2,373,239

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

Lincoln Heights School

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Cash flows from Operating Activities				
Government Grants		2,743,551	2,228,673	2,318,169
Locally Raised Funds		168,133	70,033	131,322
Goods and Services Tax (net)		(40,968)	(3,680)	2,366
Payments to Employees		(1,497,738)	(1,653,936)	(1,254,985)
Payments to Suppliers		(702,662)	(686,464)	(662,835)
Interest Paid		(3,201)	(3,575)	(3,127)
Interest Received		105,853	52,391	62,103
Net cash from/(to) Operating Activities		772,968	3,442	593,013
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(577,355)	(40,999)	(156,655)
Purchase of Investments		-	-	(861,941)
Proceeds from Sale of Investments		67,000	-	-
Net cash from/(to) Investing Activities		(510,355)	(40,999)	(1,018,596)
Cash flows from Financing Activities				
Furniture and Equipment Grant		20,473	-	38,063
Finance Lease Payments		(22,148)	(13,569)	(7,207)
Funds held on behalf of Te Kahui Ako o Tiriwa Cluster		39,576	-	17,711
Funds Administered on Behalf of Other Parties		506,551	17,364	(17,469)
Net cash from/(to) Financing Activities		544,452	3,795	31,098
Net increase/(decrease) in cash and cash equivalents		807,065	(33,762)	(394,485)
Cash and cash equivalents at the beginning of the year	7	719,130	719,130	1,113,615
Cash and cash equivalents at the end of the year	7	1,526,195	685,368	719,130

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

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

Lincoln Heights School

Notes to the Financial Statements

For the year ended 31 December 2024

1. Statement of Accounting Policies

a) Reporting Entity

Lincoln Heights School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a School as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2024 to 31 December 2024 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to 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 \$33 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 13.

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 10.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

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 14. Future operating lease commitments are disclosed in note 21.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

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Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

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 School's receivables are largely made up of funding from the Ministry of Education. Therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	20-50 years
Furniture and equipment	4-25 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

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 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 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 and annual leave earned, by non teaching staff, to but not yet taken at balance date.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from Ministry of Pacific People, Tu Manawa funding, and Trip 2026 funds where there are unfulfilled obligations for the School to provide services in the future. The fees and grants are recorded as revenue as the obligations are fulfilled and the fees and grants are 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) Shared Funds

Shared funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expenses. The School holds sufficient funds to enable the funds to be used for their intended purpose.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

q) 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.

r) 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 or loss on derecognition are recognised in the surplus or deficit.

s) 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.

t) 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.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

2. Government Grants

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Government Grants - Ministry of Education	2,780,233	2,182,534	2,329,612
Teachers' Salaries Grants	3,257,311	2,500,000	2,809,228
Use of Land and Buildings Grants	839,495	663,211	785,518
Ka Ora, Ka Ako - Healthy School Lunches Programme	584,960	480,000	567,204
Other Government Grants	-	20,000	27,836
	<u>7,461,999</u>	<u>5,845,745</u>	<u>6,519,398</u>

3. Locally Raised Funds

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

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Revenue			
Donations and Bequests	64,966	35,808	13,610
Fees for Extra Curricular Activities	15,494	9,300	21,503
Trading - Uniform Sales	2,008	-	1,446
Fundraising and Community Grants	21,637	16,700	18,518
Other Revenue	33,606	29,000	33,835
	<u>137,711</u>	<u>90,808</u>	<u>88,912</u>
Expense			
Extra Curricular Activities Costs	6,679	3,000	21,760
Trading - Uniform Purchases	2,522	-	144
Fundraising and Community Grant Costs	2,646	-	4,507
	<u>11,847</u>	<u>3,000</u>	<u>26,411</u>
Surplus / (Deficit) for the year Locally Raised Funds	<u>125,864</u>	<u>87,808</u>	<u>62,501</u>

Donations include a \$45,000 bequest from The Trust Community Foundation which is earmarked for the replacement of the playground.

4. Learning Resources

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Curricular	242,227	214,956	166,482
Information and Communication Technology	19,417	32,300	16,603
Employee Benefits - Salaries	4,468,869	3,881,518	3,844,290
Staff Development	56,670	68,500	71,771
Depreciation	120,664	135,000	111,339
Other Learning Resources	2,759	5,900	3,999
	<u>4,910,606</u>	<u>4,338,174</u>	<u>4,214,484</u>

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Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

5. Administration

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Audit Fees	10,130	7,577	7,804
Board Fees and Expenses	19,109	19,300	23,692
Other Administration Expenses	91,477	53,586	70,047
Employee Benefits - Salaries	208,200	176,212	204,946
Insurance	9,179	5,000	8,069
Service Providers, Contractors and Consultancy	14,876	15,876	15,510
Ka Ora, Ka Ako - Healthy School Lunches Programme	584,960	480,000	567,204
	<u>937,931</u>	<u>757,551</u>	<u>897,272</u>

6. Property

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Consultancy and Contract Services	67,497	65,000	59,304
Cyclical Maintenance	62,173	55,000	41,904
Heat, Light and Water	41,694	39,000	39,120
Rates	44	100	61
Repairs and Maintenance	19,238	39,000	44,847
Use of Land and Buildings	839,495	663,211	785,518
Employee Benefits - Salaries	66,754	63,500	63,458
Other Property Expenses	68,624	61,300	53,950
	<u>1,165,519</u>	<u>986,111</u>	<u>1,088,162</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

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Bank Accounts	1,526,195	685,368	719,130
Cash and cash equivalents for Statement of Cash Flows	<u>1,526,195</u>	<u>685,368</u>	<u>719,130</u>

Of the \$1,526,195 Cash and Cash Equivalents, \$277,759 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 and include retentions on the projects, if applicable. The funds are required to be spent in 2025 on Crown owned school buildings.

Of the \$1,526,195 Cash and Cash Equivalents, \$63,321 of Revenue Received in Advance is held by the School, as disclosed in note 12.

Of the \$1,526,195 Cash and Cash Equivalents, \$57,287 is held by the School on behalf of the Te Kahui ako o Tiriwa Cluster. See note 16 for details of how the funding received for the cluster has been spent in the year.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

8. Accounts Receivable

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Receivables	2,061	1,200	1,231
Receivables from the Ministry of Education	7,657	2,500	34,392
Interest Receivable	20,397	25,000	17,391
Teacher Salaries Grant Receivable	302,363	228,000	228,506
	<u>332,478</u>	<u>256,700</u>	<u>281,520</u>
Receivables from Exchange Transactions	22,458	26,200	18,622
Receivables from Non-Exchange Transactions	310,020	230,500	262,898
	<u>332,478</u>	<u>256,700</u>	<u>281,520</u>

9. Investments

The School's investment activities are classified as follows:

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Current Asset			
Short-term Bank Deposits	1,400,000	1,467,000	1,467,000
Total Investments	<u>1,400,000</u>	<u>1,467,000</u>	<u>1,467,000</u>

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2024	\$	\$	\$	\$	\$	\$
Buildings - School	105,699	-	-	-	(8,763)	96,936
Furniture and Equipment	380,978	542,045	(1,643)	-	(61,412)	859,968
Information and Communication Technology	49,135	28,632	(677)	-	(23,941)	53,149
Leased Assets	25,057	55,522	-	-	(22,355)	58,224
Library Resources	28,036	6,676	(1,166)	-	(4,193)	29,353
	588,905	632,875	(3,486)	-	(120,664)	1,097,630

The net carrying value of furniture and equipment held under a finance lease is \$58,224 (2023: \$25,057)

Restrictions

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

	2024 Cost or Valuation	2024 Accumulated Depreciation	2024 Net Book Value	2023 Cost or Valuation	2023 Accumulated Depreciation	2023 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings - School	217,717	(120,781)	96,936	217,717	(112,018)	105,699
Furniture and Equipment	1,264,459	(404,491)	859,968	787,418	(406,440)	380,978
Information and Communication Technology	211,118	(157,969)	53,149	255,133	(205,998)	49,135
Leased Assets	124,797	(66,573)	58,224	110,585	(85,528)	25,057
Library Resources	73,419	(44,066)	29,353	69,640	(41,604)	28,036
	1,891,510	(793,880)	1,097,630	1,440,493	(851,588)	588,905

11. Accounts Payable

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Creditors	291,123	40,000	33,170
Accruals	8,130	6,000	5,463
Employee Entitlements - Salaries	325,217	231,000	263,353
Employee Entitlements - Leave Accrual	66,626	65,000	65,859
	691,096	342,000	367,845
Payables for Exchange Transactions	691,096	342,000	367,845
	691,096	342,000	367,845

The carrying value of payables approximates their fair value.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

12. Revenue Received in Advance

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	12,336	70,000	75,753
Other Revenue in Advance	50,985	-	20,806
	<u>63,321</u>	<u>70,000</u>	<u>96,559</u>

13. Provision for Cyclical Maintenance

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
Provision at the Start of the Year	219,480	219,480	238,609
Increase to the Provision During the Year	62,173	55,000	41,904
Use of the Provision During the Year	(31,176)	(62,889)	(61,033)
Provision at the End of the Year	<u>250,477</u>	<u>211,591</u>	<u>219,480</u>
Cyclical Maintenance - Current	163,296	5,488	44,904
Cyclical Maintenance - Non current	87,181	206,103	174,576
	<u>250,477</u>	<u>211,591</u>	<u>219,480</u>

The School's cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on recent painting and quotes.

14. Finance Lease Liability

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

Minimum lease payments payable:

	2024 Actual	2024 Budget (Unaudited)	2023 Actual
	\$	\$	\$
No Later than One Year	22,541	19,575	20,317
Later than One Year and no Later than Five Years	49,402	39,000	9,419
Future Finance Charges	(11,000)	(3,575)	(2,167)
	<u>60,943</u>	<u>55,000</u>	<u>27,569</u>
Represented by			
Finance lease liability - Current	18,041	18,000	18,677
Finance lease liability - Non current	42,902	37,000	8,892
	<u>60,943</u>	<u>55,000</u>	<u>27,569</u>

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

15. 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, and includes retentions on the projects, if applicable.

2024	Opening Balances \$	Receipts / Receivables from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Front Entrance Structure 221563	(26,239)	26,239	-	-	-
Roofing to Room 28 237110	2,164	(2,164)	-	-	-
Fire Panel Extension	(1,000)	-	(250)	-	(1,250)
Roof, Clearlite and Gutter Replacement	(5,000)	394,560	(211,467)	-	178,093
Switchboard & Heating Replacement	(500)	65,032	(2,000)	-	62,532
Site Drainage Remediation 244923	(2,000)	38,213	(36,213)	-	-
MOE-Combined Works 1,2,3,4,7,9,10,11,12	(2,500)	118,950	(79,316)	-	37,134
Block 6 Kindy Re-levelling Works	-	-	(2,500)	-	(2,500)
Block 16 Bathroom	-	-	(1,500)	-	(1,500)
Totals	(35,075)	640,830	(333,246)	-	272,509

Represented by:

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

277,759

(5,250)

272,509

2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP Landscaping 221564	6,109	-	(572)	(5,537)	-
SIP Front Entrance Structure 221563	(25,879)	13,316	(22,221)	8,545	(26,239)
Roofing to Room 28 237110	2,164	-	-	-	2,164
Fire Panel Extension	-	-	(1,000)	-	(1,000)
Roof, Clearlite and Gutter Replacement	-	-	(5,000)	-	(5,000)
Switchboard & Heating Replacement	-	-	(500)	-	(500)
Site Drainage Remediation 244923	-	-	(2,000)	-	(2,000)
MOE-Combined Works 1,2,3,4,7,9,10,11,12	-	-	(2,500)	-	(2,500)
Totals	(17,606)	13,316	(33,793)	3,008	(35,075)

Represented by:

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

2,164

(37,239)

(35,075)

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

16. Funds Held on Behalf of Te Kahui ako o Tiriwa Cluster

Lincoln Heights School is the lead school and holds funds on behalf of the Te Kahui ako o Tiriwa cluster, a group of schools funded by the Ministry for the community of learning costs.

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Funds transferred from West Harbour School	-	-	13,647
Funds Held at Beginning of the Year	17,711	17,711	-
Funds Received from Cluster Members	18,499	30,000	6,790
Funds from Donations and Community Grants	14,000	-	-
Funds Received from MOE	71,736	55,250	-
Total funds received	104,235	102,961	20,437
Funds Spent on Behalf of the Cluster	64,659	102,961	2,726
Funds remaining	39,576	-	17,711
Funds Held at Year End	57,287	-	17,711

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.

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

18. Remuneration

Key management personnel compensation

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

	2024 Actual \$	2023 Actual \$
<i>Board Members</i>		
Remuneration	5,520	5,060
<i>Leadership Team</i>		
Remuneration	580,792	535,008
Full-time equivalent members	4	4
Total key management personnel remuneration	586,312	540,068

There are 9 members of the Board excluding the Principal. The Board has held 12 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2024 Actual \$000	2023 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	180-190
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:

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

Remuneration \$000	2024 FTE Number	2023 FTE Number
100 - 110	7.00	4.00
110 - 120	3.00	2.00
120 - 130	1.00	1.00
130 - 140	1.00	1.00
140 - 150	1.00	-
	13.00	8.00

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:

	2024 Actual	2023 Actual
Total	-	-
Number of People	-	-

Lincoln Heights School
Notes to the Financial Statements (cont'd)
For the year ended 31 December 2024

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2024.
(Contingent liabilities and assets at 31 December 2023: nil).

Holidays Act Compliance – Schools Payroll

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

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

Pay Equity and Collective Agreement Funding Wash-up

In 2024 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. At the date of signing the financial statements the School's final entitlement for the year ended 31 December 2024 has not yet been advised. The School has therefore not recognised an asset or a liability regarding this funding wash-up, which is expected to be settled in July 2025.

21. Commitments

(a) Capital Commitments

At 31 December 2024, the Board had capital commitments of \$186,708 (2023:\$645,280) as a result of entering the following contracts:

Contract Name	2024 Capital Commitment \$
MOE Roof, Clearlite and Gutter Replacement	163,146
MOE Combined Works 1,2,3,4,7,9,10,11,12	23,562
Total	186,708

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 15.

(b) Operating Commitments

As at 31 December 2024, the Board has no operating commitments. (2023: Nil)

Lincoln Heights School

Notes to the Financial Statements (cont'd)

For the year ended 31 December 2024

22. Financial Instruments

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

	2024	2024	2023
	Actual	Budget (Unaudited)	Actual
Financial assets measured at amortised cost	\$	\$	\$
Cash and Cash Equivalents	1,526,195	685,368	719,130
Receivables	332,478	256,700	281,520
Investments - Term Deposits	1,400,000	1,467,000	1,467,000
Total financial assets measured at amortised cost	<u>3,258,673</u>	<u>2,409,068</u>	<u>2,467,650</u>
Financial liabilities measured at amortised cost			
Payables	691,096	342,000	367,845
Finance Leases	60,943	55,000	27,569
Total financial liabilities measured at amortised cost	<u>752,039</u>	<u>397,000</u>	<u>395,414</u>

23. Events After Balance Date

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

24. Comparatives

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

Independent Auditor's Report

To the Readers of Lincoln Height School's Financial Statements

For the Year Ended 31 December 2024

The Auditor-General is the auditor of Lincoln Height 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 20, that comprise the statement of financial position as at 31 December 2024, 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 2024; 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 30 May 2025. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Analysis of Variance: 2024, Compliance with the Education and Training Act 2020 requirements to be a good employer for the year ending 31 December 2024, Board Information 2024 and 2024 Kiwisport report, 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