



NORTHERN SOUTHLAND COLLEGE

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 395

Principal: Peter Wilkinson

School Address: 51 Maria Street, Lumsden 9730

School Postal Address: PO Box 17, Lumsden 9742

School Phone: 03 248 7121

School Email: office@nsc.school.nz

Members of the Board:

Name	Position	How Position Gained	Term Expires
Jonathan Elder	Presiding Member	Re-elected October 22	Sep-25
Peter Wilkinson	Principal	Appointed 28 April 20	
Paul Heslip	Parent Rep	Re-elected October 22	Sep-25
David Bullmore	Parent Rep	Re-elected October 22	Sep-25
Rebecca Price	Parent Rep	Elected May 2021	Sep-25
Toni Eyles	Parent Rep	Elected August 22	Aug-25
Morwenna Pannett	Staff Rep	Re-elected August 22	Aug-25
Giavana Santelli	Student Rep	Elected September 22	Oct-23
Samantha Kington	Student Rep	Elected September 23	Oct-24

Accountant: Findex, Invercargill

Northern Southland College

Annual Financial Statements - For the year ended 31 December 2023

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Independent Auditor's Report

Northern Southland College

Statement of Responsibility

For the year ended 31 December 2023

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Jonathan Elder

Full Name of Presiding Member

Signed by:

AA079045840D9265

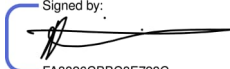
Signature of Presiding Member

30/05/2024

Date:

Pete Wilkinson

Full Name of Principal

Signed by:

FA8826CBB8E728C

Signature of Principal

30/05/2024

Date:

Northern Southland College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Revenue				
Government Grants	2	3,861,256	3,287,041	3,401,606
Locally Raised Funds	3	322,816	188,662	258,392
Interest income		42,714	12,500	10,644
Gain on Sale of Property, Plant and Equipment		1,569	13,043	10,007
Other Revenue		-	-	-
		<u>4,228,355</u>	<u>3,501,246</u>	<u>3,680,649</u>
Expenses				
Locally Raised Funds	3	143,640	109,979	129,035
Learning Resources	4	2,788,017	2,452,123	2,519,947
Administration	5	306,229	305,301	311,837
Finance		2,920	3,552	4,731
Property	6	998,849	651,226	694,855
		<u>4,239,655</u>	<u>3,522,181</u>	<u>3,660,405</u>
Net Surplus / (Deficit) for the year		(11,300)	(20,935)	20,244
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(11,300)</u>	<u>(20,935)</u>	<u>20,244</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.

Northern Southland College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Balance at 1 January		1,601,520	1,601,520	1,581,276
Total comprehensive revenue and expense for the year		(11,300)	(20,935)	20,244
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		72,899	-	-
Equity at 31 December		1,663,119	1,580,585	1,601,520
Retained Earnings		1,663,119	1,580,585	1,601,520
Equity at 31 December		1,663,119	1,580,585	1,601,520

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.

Northern Southland College

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	456,234	789,827	671,766
Accounts Receivable	8	258,622	205,295	205,295
GST Receivable		41,895	43,498	43,498
Prepayments		18,352	10,263	10,262
Investments	9	740,000	200,000	200,000
Funds Receivable for Capital Works Projects	15	2,216	125,345	125,345
		<u>1,517,319</u>	<u>1,374,228</u>	<u>1,256,166</u>
Current Liabilities				
Accounts Payable	11	298,320	245,964	245,964
Revenue Received in Advance	12	26,166	43,589	43,589
Provision for Cyclical Maintenance	13	36,389	103,854	103,854
Finance Lease Liability	14	17,518	23,801	23,801
Funds held for Capital Works Projects	15	104,922	-	-
Funds held on behalf of Transport Network	16	40,283	40,350	40,350
Funds held on behalf of Parent Teacher Association	17	12,972	12,017	12,017
		<u>536,570</u>	<u>469,575</u>	<u>469,575</u>
Working Capital Surplus		980,749	904,653	786,591
Non-current Assets				
Property, Plant and Equipment	10	901,379	738,530	877,527
Investments	9	500	500	500
		<u>901,879</u>	<u>739,030</u>	<u>878,027</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	212,936	41,694	41,694
Finance Lease Liability	14	6,573	21,404	21,404
		<u>219,509</u>	<u>63,098</u>	<u>63,098</u>
Net Assets		<u>1,663,119</u>	<u>1,580,585</u>	<u>1,601,520</u>
Equity		<u>1,663,119</u>	<u>1,580,585</u>	<u>1,601,520</u>

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

Northern Southland College
Cash Flow Statement
For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		924,329	845,505	921,823
Locally Raised Funds		294,166	242,698	367,817
Goods and Services Tax (net)		1,059	-	(10,571)
Payments to Employees		(392,039)	(397,162)	(469,135)
Payments to Suppliers		(660,549)	(575,523)	(539,716)
Interest Paid		(2,920)	(10,500)	(4,731)
Interest Received		36,348	13,043	10,644
Net cash from the Operating Activities		<u>200,394</u>	<u>118,061</u>	<u>276,131</u>
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(162,410)	-	(25,619)
Proceeds from Sale of Investments		(540,000)	-	(160,001)
Net cash to the Investing Activities		<u>(702,410)</u>	<u>-</u>	<u>(185,620)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		72,899	-	-
Finance Lease Payments		(20,590)	-	(29,443)
Funds Administered on Behalf of Third Parties		234,175	-	(105,890)
Net cash (to)/from Financing Activities		<u>286,484</u>	<u>-</u>	<u>(135,333)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(215,532)</u>	<u>118,061</u>	<u>(44,822)</u>
Cash and cash equivalents at the beginning of the year	7	671,766	671,766	716,588
Cash and cash equivalents at the end of the year	7	<u>456,234</u>	<u>789,827</u>	<u>671,766</u>

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 omitted.

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

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Northern Southland College (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 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 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.

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 23b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

c) Revenue Recognition (continued)

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less. 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 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) 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.

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	10-20 years
Board Owned Buildings	5-40 years
Furniture and equipment	3-20 years
Information and Communication Technology	3-10 years
Motor vehicles	10 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value

j) 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.

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

j) Impairment of property, plant, and equipment (continued)

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. 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.

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.

k) Accounts Payable

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

l) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

m) Revenue Received in Advance

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

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

n) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

Northern Southland College

Notes to the Financial Statements

For the year ended 31 December 2023

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

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

q) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, 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 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 statements 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 at the start of the year.

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.

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

2. Government Grants

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	903,962	845,505	873,893
Teachers' salaries grants	2,339,749	2,000,004	2,029,139
Use of Land and Buildings Grants	570,229	399,996	441,853
Other Government Grants	47,316	41,536	56,721
	<hr/> 3,861,256	<hr/> 3,287,041	<hr/> 3,401,606

3. Locally Raised Funds

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

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<i>Revenue</i>			
Donations & Bequests	26,961	9,763	13,767
Curriculum related Activities - Purchase of goods and services	55,419	49,713	53,912
Fees for Extra Curricular Activities	80,352	31,184	66,401
Other Revenue	144,531	92,152	112,811
Trading	2,546	-	3,927
Fundraising & Community Grants	13,007	5,850	7,574
	<hr/> 322,816	<hr/> 188,662	<hr/> 258,392
<i>Expenses</i>			
Extra Curricular Activities Costs	83,065	34,793	71,793
Trading	502	200	2,678
Other Locally Raised Funds Expenditure	60,073	74,986	54,564
	<hr/> 143,640	<hr/> 109,979	<hr/> 129,035
<i>Surplus for the year Locally raised funds</i>	<hr/> 179,176	<hr/> 78,683	<hr/> 129,357

4. Learning Resources

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	132,382	143,240	115,684
Information and Communication Technology	21,854	21,312	22,270
Library Resources	1,123	1,739	1,440
Employee Benefits - Salaries	2,463,200	2,120,835	2,213,381
Staff Development	24,188	26,001	24,075
Depreciation	145,270	138,996	143,097
	<hr/> 2,788,017	<hr/> 2,452,123	<hr/> 2,519,947

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	7,099	7,103	6,900
Board Fees	3,590	3,680	3,732
Board Expenses	5,302	9,796	11,564
Communication	5,641	5,184	3,893
Consumables	163	6,525	3,121
Operating Lease	4,123	9,168	5,224
Postage	178	504	364
Other	19,256	12,102	16,914
Employee Benefits - Salaries	246,422	237,019	242,975
Insurance	3,670	3,720	6,232
Service Providers, Contractors and Consultancy	10,785	10,500	10,918
	<u>306,229</u>	<u>305,301</u>	<u>311,837</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	71,584	71,336	8,128
Cyclical Maintenance Provision	194,464	32,000	29,502
Grounds	14,821	11,340	8,620
Heat, Light and Water	68,366	60,600	73,766
Rates	12,824	12,616	11,737
Repairs and Maintenance	22,998	22,910	33,914
Use of Land and Buildings	570,229	399,996	441,853
Security	1,568	1,116	1,764
Employee Benefits - Salaries	41,995	39,312	85,571
	<u>998,849</u>	<u>651,226</u>	<u>694,855</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.

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

7. Cash and Cash Equivalents

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	200	200	200
Bank Current Account	256,034	749,627	631,566
Short-term Bank Deposits	200,000	40,000	40,000
Cash and cash equivalents for Cash Flow Statement	<u>456,234</u>	<u>789,827</u>	<u>671,766</u>

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

Of the \$456,234 Cash and Cash Equivalents, \$102,450 (2022: \$125,345) is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2024 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$456,234 Cash and Cash Equivalents, \$40,283 (2022: \$40,305) is held by the School on behalf of the Dome transport network. See note 17 for details of how the funding received for the Dome transport network has been spent in the year.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	17,090	15,809	15,809
Receivables from the Ministry of Education	27,175	-	-
Interest Receivable	6,366	-	-
Bank Staffing Underuse	8,900	10,154	10,154
Teacher Salaries Grant Receivable	199,091	179,332	179,332
	<u>258,622</u>	<u>205,295</u>	<u>205,295</u>
Receivables from Exchange Transactions	23,456	15,809	15,809
Receivables from Non-Exchange Transactions	235,166	189,486	189,486
	<u>258,622</u>	<u>205,295</u>	<u>205,295</u>

9. Investments

The School's investment activities are classified as follows:

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	740,000	200,000	200,000
Non-current Asset			
Other investments	500	500	500
Total Investments	<u>740,500</u>	<u>200,500</u>	<u>200,500</u>

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$
Building Improvements	172,003	15,444	-	(13,415)	174,032
Buildings	230,172	50,579	-	(15,176)	265,575
Furniture and Equipment	321,086	62,710	(48)	(57,838)	325,910
Information and Communication Technology	62,903	35,292	-	(27,996)	70,199
Motor Vehicles	38,782	-	-	(4,608)	34,174
Leased Assets	41,850	5,145	-	(24,890)	22,105
Library Resources	10,731	-	-	(1,347)	9,384
Balance at 31 December 2023	877,527	169,170	(48)	(145,270)	901,379

The net carrying value of Information and Communications Technology equipment held under a finance lease is \$22,105 (2022:\$41,850).

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.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	309,997	(135,965)	174,032	294,553	(122,550)	172,003
Buildings	459,975	(194,400)	265,575	409,396	(179,224)	230,172
Furniture and Equipment	821,545	(495,635)	325,910	770,790	(449,704)	321,086
Information and Communication Technology	218,147	(147,948)	70,199	190,346	(127,443)	62,903
Motor Vehicles	77,817	(43,643)	34,174	77,817	(39,035)	38,782
Leased Assets	105,396	(83,291)	22,105	146,871	(105,021)	41,850
Library Resources	77,253	(67,869)	9,384	77,253	(66,522)	10,731
Balance at 31 December	2,070,130	(1,168,751)	901,379	1,967,026	(1,089,499)	877,527

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

11. Accounts Payable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Creditors	58,248	40,371	40,371
Employee Benefits Payable - Salaries	214,491	181,152	181,152
Employee Benefits Payable - Leave Accrual	25,581	24,441	24,441
	<u>298,320</u>	<u>245,964</u>	<u>245,964</u>
Payables for Exchange Transactions	298,320	245,964	245,964
	<u><u>298,320</u></u>	<u><u>245,964</u></u>	<u><u>245,964</u></u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Other revenue in advance	26,166	43,589	43,589
	<u>26,166</u>	<u>43,589</u>	<u>43,589</u>

13. Provision for Cyclical Maintenance

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	145,548	145,548	168,161
Increase to the Provision During the Year	57,510	20,000	22,897
Use of the Provision During the Year	(90,687)	(20,000)	(52,115)
Adjustment to the Provision	136,954	-	6,605
Provision at the End of the Year	<u>249,325</u>	<u>145,548</u>	<u>145,548</u>
Cyclical Maintenance - Current	36,389	103,854	103,854
Cyclical Maintenance - Non current	212,936	41,694	41,694
	<u><u>249,325</u></u>	<u><u>145,548</u></u>	<u><u>145,548</u></u>

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

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

14. Finance Lease Liability

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

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
No Later than One Year	18,719	26,457	26,457
Later than One Year and no Later than Five Years	7,168	22,372	22,372
Later than Five Years	-	-	-
Future Finance Charges	(1,796)	(3,624)	(3,624)
	<u>24,091</u>	<u>45,205</u>	<u>45,205</u>
Represented by			
Finance lease liability - Current	17,518	23,801	23,801
Finance lease liability - Non current	6,573	21,404	21,404
	<u>24,091</u>	<u>45,205</u>	<u>45,205</u>

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.

2023	Opening	Receipts	Payments	Closing
	Balances	from MoE	\$	Balances
	\$	\$	\$	\$
AMS CP: C, F, G: Upgrades incl. associated Compliance work (updated AMS B: D, F, G Upgrades incl. associated Compliance work)	(90,728)	114,683	(23,955)	-
Boiler: Temporary Replacement and Decarbonisation	(208)	20,000	(12,500)	7,292
Site, B,D,E,F: Visual Property Modifications	(2,405)	5,751	(3,346)	-
F: Accessible Toilet Remodel	(27,683)	35,360	(9,893)	(2,216)
LSC space x1 - D: Remodel to create office	(4,321)	5,120	(799)	-
A: Remediation of Water Damage	-	20,100	(17,628)	2,472
MOE 5YA - Essential Infrastructure	-	110,967	(15,809)	95,158
Totals	<u>(125,345)</u>	<u>311,981</u>	<u>(83,930)</u>	<u>102,706</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	104,922
Funds Receivable from the Ministry of Education	2,216

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

15. Funds Held for Capital Works Projects (continued)

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
AMS CP: C, F, G: Upgrades incl. associated Compliance work (updated AMS B: D, F, G Upgrades incl. associated Compliance work)	(92,951)	-	2,223	(90,728)
Boiler: Temporary Replacement and Decarbonisation	7,292	7,500	(15,000)	(208)
Site, B,D,E,F: Visual Property Modifications	(2,872)	-	467	(2,405)
F: Accessible Toilet Remodel	52,309	-	(79,992)	(27,683)
LSC space x1 - D: Remodel	(822)	-	(3,499)	(4,321)
B21 RG English Medium	-	1,811	(1,811)	-
Totals	<u>(37,044)</u>	<u>9,311</u>	<u>(97,612)</u>	<u>(125,345)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	125,345

16. Funds Held on Behalf of Transport Network

Northern Southland College is the lead school funded by the Ministry of Education to hold funds on behalf of the Dome Transport network. The network provides school bus transport for pupils of Northern Southland College, Balfour School, Lumsden School and Mossburn School.

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds held at beginning of the year	40,350	40,350	41,405
Funds received from the Ministry of Education	1,029,007	959,129	959,129
Funds received from paying students	4,702	-	3,497
Interest received	1,410	706	706
Total funds received	<u>1,035,119</u>	<u>959,835</u>	<u>963,332</u>
Funds Spent on Behalf of the Cluster	<u>(953,000)</u>	<u>(898,331)</u>	<u>(902,883)</u>
Funds remaining	122,469	101,854	101,854
<i>Distribution to Schools:</i>			
Northern Southland College	(33,046)	(25,494)	(25,494)
Balfour School	(20,052)	(15,082)	(15,082)
Lumsden School	(14,443)	(9,751)	(9,751)
Mossburn School	(14,645)	(11,177)	(11,177)
Total Distributions	<u>(82,186)</u>	<u>(61,504)</u>	<u>(61,504)</u>
Funds Held at Year End	<u>40,283</u>	<u>40,350</u>	<u>40,350</u>

These assets form part of the school's assets and are presented on the school's statement of financial position

Current Assets

Cash at bank	283	350	350
Short term bank deposits	40,000	40,000	40,000
Equity	<u>40,283</u>	<u>40,350</u>	<u>40,350</u>

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

17. Funds Held on Behalf of Awheawhe Karupa Attendance and Engagement Project

Northern Southland College is the lead school funded by the Ministry of Education to provide services to its cluster schools.

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Funds held at beginning of the year	-	-	-
Funds received from the Ministry of Education	19,400	-	-
Total funds received	19,400	-	-
Funds Spent on Behalf of the Cluster	-	-	-
Funds remaining	19,400	-	-
<i>Distribution to Schools:</i>			
Northern Southland College	(5,100)	-	-
Balfour School	(3,600)	-	-
Lumsden School	(5,100)	-	-
Mossburn School	(5,600)	-	-
Total Distributions	(19,400)	-	-
Funds Held at Year End	-	-	-

18. Funds Held on Behalf of Parent Teacher Association

Northern Southland College Parent Teacher Association is a committee tasked with encouraging parental involvement with the College. This involves arranging educational evenings and fundraising for specific initiatives.

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Funds Held at Beginning of the Year	12,017	12,017	10,541
Funds Received from Fundraising	2,328	-	934
Total funds received	2,328	-	934
Funds Spent on Behalf of the Association			
Fundraising / School Donations	(999)	-	542
Field Days	(374)	-	-
Total Expenses	(1,373)	-	542
Funds Held at Year End	12,972	12,017	12,017

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

19. Related Party Transactions

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

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

20. Remuneration

Key management personnel compensation

Key management personnel of the School include all Board members, Principal, Deputy Principals, Assistant Principal, Head of Junior High School Campus, and Heads of Departments.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,590	3,731
<i>Leadership Team</i>		
Remuneration	1,650,786	1,551,157
Full-time equivalent members	14.00	14.00
Total key management personnel remuneration	1,654,376	1,554,888

There are 7 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. The Board also has Finance (3 members) and Property (3 members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair 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 Principals during the year was in the following band:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160-170	140-150
Benefits and Other Emoluments	4-5	3-4
Termination Benefits	-	-

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100-110	5	5
110-120	3	2
120-130	3	3
130-140	2	0
	13	10

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

21. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2023 Actual	2022 Actual
Total	\$0	\$0
Number of People	-	-

22. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: nil).

Holidays Act Compliance – schools payroll

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

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

Northern Southland College
Notes to the Financial Statements
For the year ended 31 December 2023

23. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$1,157,891 (2022:\$1,303,741) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
A: Remediation of Water Damage	20,100	17,628	2,472
Boiler: Temporary Replacement	109,259	93,791	15,468
F: Accessible Toilet Remodel	148,108	103,684	44,424
MOE 5YA - Essential Infrastructure	1,111,336	15,809	1,095,527
Total	1,388,803	230,912	1,157,891

(b) Operating Commitments

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

(a) operating lease for the service portion of the photocopier

	2023 Actual \$	2022 Actual \$
No later than One Year	5,347	5,347
Later than One Year and No Later than Five Years	447	5,794
	5,794	11,141

The total lease payments incurred during the period were \$5,347 (2022: \$5,347).

24. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	456,234	789,827	671,766
Receivables	258,622	205,295	205,295
Investments - Term Deposits	740,000	200,000	200,000
Total financial assets measured at amortised cost	1,454,856	1,195,122	1,077,061

Financial liabilities measured at amortised cost

Payables	298,320	245,964	245,964
Finance Leases	24,091	45,205	45,205
Total financial liabilities measured at amortised cost	322,411	291,169	291,169

25. Events After Balance Date

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

26. 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 NORTHERN SOUTHLAND COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Northern Southland College (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 30 May 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. 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 arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information obtained at the date of our report is the Statement of Responsibility, Members of the Board, Statement of Variance, Evaluation and analysis of the School's students' progress and achievement, How we have given effect to Te Tiriti o Waitangi, Statement of Compliance with employment policy and Statement of Kiwisport funding, 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand