



The Catlins Area School

Te Kura Taumata O Catlins | To be the best you can be

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number:	394
Principal:	Glenys Hanley
School Address:	1 Stuart Street, Owaka 9535
School Phone:	03 415 8036
School Email:	principal@catlins.school.nz

Accountant / Service Provider:

Solutions & Services
Collaborative School Administration

THE CATLINS AREA SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

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The Catlins Area School

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.

Kerri Nakajima

Full Name of Presiding Member

Signed by:
Kerri Nakajima
B92D2326108AE433

Signature of Presiding Member

28/05/2024

Date:

Glenys Hanley

Full Name of Principal

Signed by:
Glenys Hanley
11C4EE905D984988

Signature of Principal

30/05/2024

Date:

The Catlins Area School

Members of the Board

For the year ended 31 December 2023

Name	Position	How Position Gained	Term Expired/ Expires
Kerri Nakajima	Presiding Member Parent Representative	Elected	Sep 2025
Glenys Hanley	Principal	ex Officio	
Angela Osborne	Parent Representative	Elected	Jan 2023
Simon Walker	Presiding Member	Elected	Nov 2023
Hamish McDougall	Parent Representative	Elected	Sep 2025
Phillip Bradfield	Parent Representative	Elected	Sep 2025
Olivia Parkes	Parent Representative	Elected	Nov 2026
Sarah Lyon	Parent Representative	Elected	Nov 2026
Martha Fatialofa	Parent Representative	Co-opted	Nov 2023
Tim Samson	Staff Representative	Elected	Jan 2023
Matthew Simpson	Staff Representative	Elected	Feb 2026
Yui Nakajima	Student Representative	Elected	Nov 2023
Amelia Morrison	Student Representative	Elected	Nov 2024

On 13 November 2023 a Limited Statutory Manager was appointed to manage the functions, powers and duties of the board in relation to communications. The Board retains primary duty of care under Health and Safety Work Act 2015.

The Catlins Area School

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	2,587,573	2,085,610	2,186,218
Locally Raised Funds	3	172,670	189,523	133,935
Interest		15,832	5,000	5,007
Total Revenue		2,776,075	2,280,133	2,325,160
Expenses				
Locally Raised Funds	3	48,029	69,150	74,811
Learning Resources	4	1,863,890	1,581,450	1,614,929
Administration	5	216,325	168,714	165,050
Interest		705	500	1,000
Property	6	576,253	410,742	473,397
Loss on Disposal of Property, Plant and Equipment		7,723	-	111
Total Expense		2,712,925	2,230,556	2,329,298
Net Surplus/(Deficit) for the year		63,150	49,577	(4,138)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		63,150	49,577	(4,138)

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

The Catlins Area School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January	581,756	581,756	585,894
Total comprehensive revenue and expense for the year	63,150	49,577	(4,138)
Contribution - Furniture and Equipment Grant	10,550	-	-
Contribution - Te Mana Tuhono	12,818	-	-
(Distributions to) Ministry of Education - Tennis Court Resurfacing	(49,533)	(51,733)	-
Equity at 31 December	618,741	579,600	581,756
Accumulated comprehensive revenue and expense	618,741	579,600	581,756
Equity at 31 December	618,741	579,600	581,756

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.

The Catlins Area School

Statement of Financial Position

As at 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	70,113	208,114	225,327
Accounts Receivable	8	308,977	121,554	121,554
GST Receivable		24,110	8,847	8,847
Prepayments		16,786	12,456	12,456
Inventories	9	985	5,591	5,591
Investments	10	195,000	115,000	115,000
Funds Receivable for Capital Works Projects	17	25,038	66,916	66,916
		641,009	538,478	555,691
Current Liabilities				
Accounts Payable	12	328,179	141,995	141,995
Revenue Received in Advance	13	12,280	69,159	69,159
Provision for Cyclical Maintenance	14	61,766	8,039	49,317
Finance Lease Liability	15	3,398	5,625	5,625
Funds held in Trust	16	3,630	15,680	15,680
Funds held for Capital Works Projects	17	36,249	106,287	106,287
		445,502	346,785	388,063
Working Capital Surplus		195,507	191,693	167,628
Non-current Assets				
Investments	10	-	10,000	10,000
Property, Plant and Equipment	11	479,376	433,081	453,250
		479,376	443,081	463,250
Non-current Liabilities				
Provision for Cyclical Maintenance	14	54,005	52,594	46,542
Finance Lease Liability	15	2,137	2,580	2,580
		56,142	55,174	49,122
Net Assets		618,741	579,600	581,756
Equity		618,741	579,600	581,756

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

The Catlins Area School

Statement of Cash Flows

For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		712,339	695,610	714,773
Locally Raised Funds		108,995	167,823	191,004
International Students		7,463	21,700	18,870
Goods and Services Tax (net)		(15,263)	-	(13,045)
Payments to Employees		(356,064)	(337,534)	(345,071)
Payments to Suppliers		(363,435)	(475,747)	(412,046)
Interest Paid		(705)	(500)	-
Interest Received		10,604	5,000	4,418
Net cash from Operating Activities		103,934	76,352	158,903
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(87,266)	(41,832)	(56,761)
Purchase of Investments		(70,000)	-	-
Net cash (to) Investing Activities		(157,266)	(41,832)	(56,761)
Cash flows from Financing Activities				
Furniture and Equipment Grant		10,550	-	-
(Distributions to) Ministry of Education - Tennis Court Resurfacing		(49,533)	(51,733)	-
Finance Lease Payments		(1,993)	-	(2,882)
Funds Administered on Behalf of Other Parties		(60,906)	-	(141,768)
Net cash (to) Financing Activities		(101,882)	(51,733)	(144,650)
Net (decrease) in cash and cash equivalents		(155,214)	(17,213)	(42,508)
Cash and cash equivalents at the beginning of the year	7	225,327	225,327	267,835
Cash and cash equivalents at the end of the year	7	70,113	208,114	225,327

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.

The Catlins Area School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

1.1. Reporting Entity

The Catlins Area 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.

1.2. Basis of Preparation

Reporting Period

The financial statements 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 whole dollar.

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 22b.

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.

1.3. 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 to which they relate. 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 programmes are recorded as revenue when the School has the rights to the funding in the period to which they relate. 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 recognised as 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Inventories

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

1.9. 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.

1.10. 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	10–40 years
Furniture and equipment	5–15 years
Information and communication technology	2-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

1.11. 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 as 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.

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.

1.12. 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.

1.13. Employee Entitlements

Short-term employee entitlements

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned by non teaching staff, 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.

1.14. 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 or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are 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.

1.15. 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 Comprehensive Revenue and Expense.

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

1.16. 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 Comprehensive Revenue and Expense.

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

1.17. 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.

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, 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 variety of periods in accordance with the conditional assessment of each area of the school. 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.

1.18. 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 the Statement of Comprehensive Revenue and Expense.

1.19. 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.

1.20. Budget Figures

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

1.21. Services received in-kind

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

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Operational Grants	713,005	670,610	611,159
Teachers' Salaries Grants	1,491,402	1,200,000	1,254,617
Use of Land and Buildings Grants	344,125	190,000	266,232
Other Government Grants	39,041	25,000	54,210
	<u>2,587,573</u>	<u>2,085,610</u>	<u>2,186,218</u>

The School has opted in to the donations scheme for this year. Total amount received was \$17,724 (2022: \$16,650).

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	23,595	21,000	22,053
Fees for Extra Curricular Activities	43,539	76,350	72,620
Trading	4,439	4,000	6,004
Fundraising & Community Grants	63,055	51,923	17,944
Other Revenue	18,839	14,550	15,314
International Student Fees	19,203	21,700	-
	<u>172,670</u>	<u>189,523</u>	<u>133,935</u>
Expenses			
Extra Curricular Activities Costs	33,467	69,150	67,765
Trading	4,716	-	7,046
Fundraising & Community Grant Costs	4,547	-	-
International Student - Student Recruitment	4,218	-	-
International Student - Other Expenses	1,081	-	-
	<u>48,029</u>	<u>69,150</u>	<u>74,811</u>
<i>Surplus for the year Locally raised funds</i>	<u>124,641</u>	<u>120,373</u>	<u>59,124</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	102,677	137,129	92,427
Library Resources	1,661	4,200	608
Employee Benefits - Salaries	1,672,427	1,357,721	1,446,092
Staff Development	17,275	17,000	7,570
Depreciation	69,850	65,400	68,232
	<u>1,863,890</u>	<u>1,581,450</u>	<u>1,614,929</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fee	5,083	5,500	4,935
Board Fees	3,535	4,400	3,480
Board Expenses	10,157	5,000	7,450
Intervention Costs & Expenses	5,879	-	-
Communication	2,610	3,950	4,701
Consumables	23,247	19,400	22,154
Legal Fees	13,285	-	-
Other	30,860	21,575	30,338
Employee Benefits - Salaries	110,952	97,039	81,798
Insurance	3,398	4,350	2,929
Service Providers, Contractors and Consultancy	7,319	7,500	7,265
	<u>216,325</u>	<u>168,714</u>	<u>165,050</u>

6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	4,170	5,250	5,309
Cyclical Maintenance Provision	18,197	17,668	19,225
Adjustment to the Provision- Other Adjustments	1,715	-	-
Grounds	13,204	13,450	11,098
Heat, Light and Water	73,751	70,000	71,073
Rates	6,324	8,800	8,820
Repairs and Maintenance	23,476	20,800	17,727
Use of Land and Buildings	344,125	190,000	266,232
Security	3,654	2,000	3,404
Employee Benefits - Salaries	87,637	82,774	70,509
	<u>576,253</u>	<u>410,742</u>	<u>473,397</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

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	70,113	208,114	225,327
Cash and Cash Equivalents for Statement of Cash Flows	<u>70,113</u>	<u>208,114</u>	<u>225,327</u>

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

Of the \$70,113 Cash and Cash Equivalents, \$18,281 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

Of the \$70,113 Cash and Cash Equivalents, \$4,319 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

8. Accounts Receivable

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	6,171	11,157	11,157
Receivables from the Ministry of Education	178,042	-	-
Interest Receivable	5,993	765	765
Teacher Salaries Grant Receivable	118,771	109,632	109,632
	<u>308,977</u>	<u>121,554</u>	<u>121,554</u>
Receivables from Exchange Transactions	12,164	11,922	11,922
Receivables from Non-Exchange Transactions	296,813	109,632	109,632
	<u>308,977</u>	<u>121,554</u>	<u>121,554</u>

9. Inventories

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	985	944	944
School Uniforms	-	4,647	4,647
	<u>985</u>	<u>5,591</u>	<u>5,591</u>

10. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	195,000	115,000	115,000
Non-current Asset			
Long-term Bank Deposits	-	10,000	10,000
Total Investments	<u>195,000</u>	<u>125,000</u>	<u>125,000</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Building Improvements	288,993	24,837	-	-	(13,728)	300,102
Furniture and Equipment	89,281	10,619	(6,401)	-	(12,925)	80,574
Information and Communication Technology	37,228	58,756	(1,031)	-	(24,053)	70,900
Motor Vehicles	18,420	3,296	-	-	(11,388)	10,328
Leased Assets	8,115	3,615	-	-	(6,069)	5,661
Library Resources	11,213	2,576	(291)	-	(1,687)	11,811
Balance at 31 December 2023	<u>453,250</u>	<u>103,699</u>	<u>(7,723)</u>	<u>-</u>	<u>(69,850)</u>	<u>479,376</u>

The net carrying value of equipment held under a finance lease is \$5,661 (2022: \$8,115)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other 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 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Building Improvements	528,016	(227,914)	300,102	503,179	(214,186)	288,993
Furniture and Equipment	481,466	(400,892)	80,574	482,665	(393,384)	89,281
Information and Communication Technology	365,135	(294,235)	70,900	348,327	(311,099)	37,228
Motor Vehicles	114,220	(103,892)	10,328	118,690	(100,270)	18,420
Leased Assets	12,222	(6,561)	5,661	17,001	(8,886)	8,115
Library Resources	76,665	(64,854)	11,811	76,066	(64,853)	11,213
Balance at 31 December	<u>1,577,724</u>	<u>(1,098,348)</u>	<u>479,376</u>	<u>1,545,928</u>	<u>(1,092,678)</u>	<u>453,250</u>

12. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	172,566	13,262	13,262
Accruals	5,083	4,935	4,935
Employee Entitlements - Salaries	145,943	119,612	119,612
Employee Entitlements - Leave Accrual	4,587	4,186	4,186
	<u>328,179</u>	<u>141,995</u>	<u>141,995</u>
Payables for Exchange Transactions	328,179	141,995	141,995
	<u>328,179</u>	<u>141,995</u>	<u>141,995</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance - Ministry of Education	4,319	-	-
International Student Fees in Advance	7,130	18,870	18,870
Other Revenue in Advance	831	50,289	50,289
	12,280	69,159	69,159

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	95,859	95,859	76,634
Increase to the Provision During the Year	18,197	17,668	19,225
Other Adjustments	1,715	-	-
Use of the Provision During the Year	-	(52,894)	-
Provision at the End of the Year	115,771	60,633	95,859
Cyclical Maintenance - Current	61,766	8,039	49,317
Cyclical Maintenance - Non current	54,005	52,594	46,542
	115,771	60,633	95,859

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 the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

15. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	3,743	6,155	6,155
Later than One Year and no Later than Five Years	2,280	2,725	2,725
Future Finance Charges	(488)	(675)	(675)
	5,535	8,205	8,205
Represented by:			
Finance lease liability - Current	3,398	5,625	5,625
Finance lease liability - Non current	2,137	2,580	2,580
	5,535	8,205	8,205

16. Funds Held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	3,630	15,680	15,680
	3,630	15,680	15,680

These funds relate to arrangements where the School is acting as an agent. These amounts are not revenue or expenses of the School and therefore are not included in the Statement of Comprehensive Revenue and Expense.

17. 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 Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Boiler Upgrade - 214732	(14,167)	43,054	(28,887)	-	-
Block 2 ILE Remodel - 216039	13,603	22,508	(36,111)	-	-
Roof Replacement 1,2,10,12,14 - 215394	(30,881)	35,674	(4,793)	-	-
Tennis Court Resurfacing - 224982	46,837	17,662	(114,032)	49,533	-
Weather Tightness Remediation - 209121	31,057	-	(56,095)	-	(25,038)
AMS - 224980	14,790	359,466	(338,007)	-	36,249
Remodel changing rooms - 224981	(10,537)	91,809	(81,272)	-	-
Fire Damage - 240810	(11,331)	12,583	(1,252)	-	-
Totals	39,371	582,756	(660,449)	49,533	11,211

Represented by:

Funds Held on Behalf of the Ministry of Education	36,249
Funds Receivable from the Ministry of Education	(25,038)

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Boiler Upgrade - 214732	11,715	-	(25,882)	-	(14,167)
Block 2 ILE Remodel - 216039	28,482	-	(14,879)	-	13,603
Roof Replacement 1,2,10,12,14 - 215394	6,355	-	(37,236)	-	(30,881)
Tennis Court Resurfacing - 224982	55,709	-	(8,872)	-	46,837
Weather Tightness Remediation - 209121	53,057	-	(22,000)	-	31,057
Block 14 Remediation	46,951	5,430	(52,381)	-	-
AMS - 224980	-	30,000	(15,210)	-	14,790
Remodel changing rooms - 224981	-	-	(10,537)	-	(10,537)
Fire Damage - 240810	-	-	(11,331)	-	(11,331)
Totals	202,269	35,430	(198,328)	-	39,371

Represented by:

Funds Held on Behalf of the Ministry of Education	106,287
Funds Receivable from the Ministry of Education	(66,916)

18. 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.

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, and Deputy Principals.

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,535	3,480
<i>Leadership Team</i>		
Remuneration	401,720	297,124
Full-time equivalent members	3,00	2,50
Total key management personnel remuneration	405,255	300,604

There are 7 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance and Property members that meet monthly and quarterly respectively. 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:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	4.00	2.00
110 - 120	-	2.00
120 - 130	2.00	-
	6.00	4.00

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

20. 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 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:

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

21. Contingencies

There are no contingent liabilities and no contingent assets except as noted below 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 school 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 Settlement Wash Up amounts

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The School is yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash up payments or receipts for the year ended 31 December 2023 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

22. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$107,155 (2022:\$39,371) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
AMS - Contract Variation 1	128,512	113,068	15,444
AMS - Contract Variation 2	211,866	120,155	91,711
Total	340,378	233,223	107,155

AMS variation contracts 1 & 2 are both Ministry led projects. These remediation contracts for mould and asbestos removal are fully funded by the Ministry of Education.

(b) Operating Commitments

As at 31 December 2023 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2022: nil)

23. 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	70,113	208,114	225,327
Receivables	308,977	121,554	121,554
Investments - Term Deposits	195,000	125,000	125,000
Total Financial assets measured at amortised cost	<u>574,090</u>	<u>454,668</u>	<u>471,881</u>

Financial liabilities measured at amortised cost

Payables	328,179	141,995	141,995
Finance Leases	5,535	8,205	8,205
Total Financial liabilities measured at amortised Cost	<u>333,714</u>	<u>150,200</u>	<u>150,200</u>

24. Events After Balance Date

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

25. 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 THE CATLINS AREA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of The Catlins Area School (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 3 to 18, 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