

# NORTHLAND COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:**

101509

**Principal:**

John Kendal

**School Address:**

62 Mangakahia Road, Kaikohe, 0445

**School Postal Address:**

PO Box 261 Kaikohe

**School Phone:**

09 4013200

**School Email:**[admin@northlandcollege.school.nz](mailto:admin@northlandcollege.school.nz)**Members of the Board of Trustees**

Name	Position	How Position Gained	Term Expired/ Expires
Kelly Yakas	Chair Person	MOE Appointed	May-22
John Kendal	Principal ex Officio		Dec-20
Elodie Vujcich	Parent Rep	Co-opted	May-22
Keith Wihongi	Parent Rep	Runanga Rep	May-22
Justin Blaikie	Parent Rep	MOE Appointed	May-22
Te Rōpu Poa	Parent Rep	MOE Appointed	Mar-20
Kohi Woodman	Parent Rep	MOE Appointed	May-22
Margaret Giesbers	Staff Rep	Staff Representative	May-22
Puawai Woodman	Student Rep	Student Representative	May-22
Accountant / Service Provider:	Evan Rakena	Finance Manager	

# NORTHLAND COLLEGE

Annual Report - For the year ended 31 December 2020

## Index

Page	Statement
------	-----------

	<b>Financial Statements</b>
--	-----------------------------

<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows

<u>6 - 20</u>	Notes to the Financial Statements
---------------	-----------------------------------

	<b>Other Information</b>
--	--------------------------

	Kiwisport
--	-----------

# Northland College

## Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees 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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Kelly Yakas

Full Name of Board Chairperson



Signature of Board Chairperson

25.05.21

Date:

Duane Allen

Full Name of Principal



Signature of Principal

25/5/21

Date:

**Northland College**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	6,381,752	4,967,472	6,073,235
Locally Raised Funds	3	821,451	825,039	894,366
Interest income		357	400	482
Gain on Sale of Property, Plant and Equipment		-	-	174
School House	4	13,940	14,300	13,420
		<u>7,217,500</u>	<u>5,807,211</u>	<u>6,981,677</u>
<b>Expenses</b>				
Locally Raised Funds	3	510,930	522,829	539,294
School House	4	2,973	4,200	2,010
Learning Resources	5	3,500,202	3,185,295	3,378,874
Administration	6	538,635	516,058	565,836
Finance		9,260	11,000	12,742
Property	7	2,296,707	1,362,045	2,338,870
Depreciation	8	190,181	183,841	207,685
Loss on Disposal of Property, Plant and Equipment		1,819	-	1,238
		<u>7,050,707</u>	<u>5,785,268</u>	<u>7,046,549</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>166,793</b>	<b>21,943</b>	<b>(64,872)</b>
Other Comprehensive Revenue and Expense		-	-	(50,541)
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>166,793</b></u>	<u><b>21,943</b></u>	<u><b>(115,413)</b></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.





# Northland College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		1,867,168	1,867,168	1,973,687
Total comprehensive revenue and expense for the year		166,793	21,943	(115,413)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	12,150
Increase/(decrease) in investment share valuation		30,470	(38,179)	(3,256)
Equity at 31 December	26	2,064,431	1,850,932	1,867,168
Retained Earnings		2,064,431	1,850,932	1,867,168
Reserves		-	-	-
Equity at 31 December		2,064,431	1,850,932	1,867,168

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.



# Northland College


## Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	710,937	706,434	458,623
Accounts Receivable	10	256,125	265,679	241,862
GST Receivable		17,712	17,712	-
Assets under construction		-	-	7,545
		984,774	989,825	708,030
<b>Current Liabilities</b>				
GST Payable		1,506	1,504	7,726
Accounts Payable	14	405,850	163,341	262,893
Borrowings - Due in one year	15	1,012	1,012	541
Revenue Received in Advance	16	125,658	91,219	138,598
Finance Lease Liability - Current Portion	18	48,304	48,304	48,310
Funds held for Capital Works Projects	19	137,492	137,493	89,807
		719,822	442,873	547,875
<b>Working Capital Surplus/(Deficit)</b>		264,952	546,952	160,155
<b>Non-current Assets</b>				
Livestock	11	491,194	439,350	439,350
Investments	12	426,061	421,716	395,591
Property, Plant and Equipment	13	958,825	958,865	952,036
		1,876,080	1,380,581	1,786,977
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	17	57,000	57,000	38,000
Finance Lease Liability	18	19,601	19,601	41,964
		76,601	76,601	79,964
<b>Net Assets</b>		2,064,431	1,850,932	1,867,168
<b>Equity</b>	26	2,064,431	1,850,932	1,867,168


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

Kelly Yakas  
Full Name of Board Chairperson

  
Signature of Board Chairperson

25-05-21  
Date:

Duane Allen  
Full Name of Principal

  
Signature of Principal

25/5/21  
Date:



# Northland College Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,906,658	1,914,378	1,798,198
Locally Raised Funds		822,782	799,750	920,941
School House		13,940	14,300	13,420
International Students		-	-	-
Goods and Services Tax (net)		(23,930)	(23,930)	48,782
Payments to Employees		(902,976)	(915,737)	(1,055,398)
Payments to Suppliers		(1,384,076)	(1,429,760)	(1,383,245)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(9,260)	(11,000)	(12,742)
Interest Received		357	400	482
Net cash from/(to) Operating Activities		423,495	348,401	330,438
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	4,346	10,090
Purchase of Property Plant & Equipment (and Intangibles)		(227,097)	(225,144)	(97,791)
Purchase of Investments		-	-	-
Proceeds from Sale of Investments		-	(25,515)	-
Net cash from/(to) Investing Activities		(227,097)	(246,313)	(87,701)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	12,150
Finance Lease Payments		7,759	7,759	(61,502)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		471	471	541
Funds Administered on Behalf of Third Parties		-	-	(339)
Funds Held for Capital Works Projects		47,686	137,493	81,131
Net cash from/(to) Financing Activities		55,916	145,723	31,981
Net increase/(decrease) in cash and cash equivalents		252,314	247,811	274,718
Cash and cash equivalents at the beginning of the year	9	458,623	458,623	183,905
Cash and cash equivalents at the end of the year	9	710,937	706,434	458,623

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

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





# Northland College

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Northland 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 of Trustees (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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

###### 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.

###### 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 17.

###### 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 13.

###### 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. 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.



#### *Recognition of grants*

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

#### **c) Revenue Recognition**

##### **Government Grants**

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

##### **Other Grants**

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 recorded as revenue when their receipt is formally acknowledged by the School.

##### **Interest Revenue**

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

##### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 expense that is offset by a non-cash grant from the Ministry.

##### **e) 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.

##### **f) 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.

##### **g) 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.

##### **h) 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.

##### **i) Inventories**

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





#### **j) 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.

#### **k) 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 to buildings owned by the Crown 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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **l) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

#### **Non cash generating assets**

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

The reversal of an impairment loss is recognised in the surplus or deficit.



**m) Accounts Payable**

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

**n) Employee Entitlements**

*Short-term employee entitlements*

Employee 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 due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

**o) Revenue Received in Advance**

Revenue received in advance relates to fees received from [international, hostel students and grants received] (delete as appropriate) 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.

**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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

**q) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as 'financial liabilities measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

**r) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

**s) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**t) Budget Figures**

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

**u) Services received in-kind**

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





## 2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	1,597,677	1,497,091	1,479,888
Teachers' Salaries Grants	2,484,394	2,200,000	2,323,646
Use of Land and Buildings Grants	1,992,091	1,044,045	1,992,091
Resource Teachers Learning and Behaviour Grants	2,970	3,500	3,420
Other MoE Grants	241,278	159,494	219,746
Other Government Grants	63,342	63,342	54,444
	<u>6,381,752</u>	<u>4,967,472</u>	<u>6,073,235</u>

The school has opted in to the donations scheme for this year. Total amount received was \$41,400.

Other MOE Grants total includes additional COVID-19 funding totalling \$12,507.83 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	744	-	560
Grants Income	35,623	-	11,667
Activities	148,731	151,052	219,951
Farm Income	561,464	585,349	585,349
Fundraising	11,382	5,000	18,311
Other Revenue	63,507	83,638	58,528
	<u>821,451</u>	<u>825,039</u>	<u>894,366</u>
<b>Expenses</b>			
Activities	43,895	24,500	37,948
Farm Expenses	462,643	498,329	498,329
Fundraising (Costs of Raising Funds)	4,392	-	3,017
	<u>510,930</u>	<u>522,829</u>	<u>539,294</u>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<u>310,521</u>	<u>302,210</u>	<u>355,072</u>



#### 4. School House Revenue & Expenses

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
School House	13,940	14,300	13,420
	<u>13,940</u>	<u>14,300</u>	<u>13,420</u>
<b>Expenses</b>			
Property	2,973	4,200	2,010
	<u>2,973</u>	<u>4,200</u>	<u>2,010</u>
<b>Surplus/ (Deficit) for the year School House</b>	<u>10,967</u>	<u>10,100</u>	<u>11,410</u>

#### 5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	287,205	297,890	311,833
Equipment Repairs	-	-	769
Information and Communication Technology	77,651	66,852	70,651
Library Resources	6,319	5,000	5,027
Employee Benefits - Salaries	3,111,626	2,787,053	2,965,048
Staff Development	17,401	28,500	25,546
	<u>3,500,202</u>	<u>3,185,295</u>	<u>3,378,874</u>

## 6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	11,109	10,479	10,479
Board of Trustees Fees	4,640	3,000	4,125
Board of Trustees Expenses	2,963	5,000	5,364
Intervention Costs & Expenses	-	-	29,181
Communication	5,564	6,000	6,128
Consumables	20,150	19,300	25,478
Operating Lease	78,245	78,374	74,555
Legal Fees	3,875	400	1,364
Other	77,061	63,910	102,417
Employee Benefits - Salaries	315,547	312,595	280,723
Insurance	7,268	7,000	6,623
Service Providers, Contractors and Consultancy	12,213	10,000	19,395
	<u>538,635</u>	<u>516,058</u>	<u>565,832</u>

## 7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,031	1,400	9,208
Property Services	190,500	190,500	26,458
Cyclical Maintenance Provision	19,000	19,000	19,000
Grounds	1,184	1,200	8,722
Heat, Light and Water	73,598	94,000	94,005
Rates	6,325	6,300	5,723
Repairs and Maintenance	9,543	5,600	39,989
Use of Land and Buildings	1,992,091	1,044,045	1,992,091
Security	2,105	-	7,357
Employee Benefits - Salaries	1,330	-	136,317
	<u>2,296,707</u>	<u>1,362,045</u>	<u>2,338,870</u>

## 8. Depreciation

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	32,861	27,897	31,952
Furniture and Equipment	23,607	-	23,281
Information and Communication Technology	26,196	-	35,729
Motor Vehicles	11,313	6,966	9,740
Plant and Equipment	42,465	148,978	40,533
Leased Assets	53,307	-	62,057
Library Resources	432	-	4,393
	<u>190,181</u>	<u>183,841</u>	<u>207,685</u>





## 9. Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash on Hand	160	160	160
Bank Current Account	86,852	86,852	63,544
Bank Call Account	623,925	619,422	394,919
Cash and cash equivalents for Statement of Cash Flows	<u>710,937</u>	<u>706,434</u>	<u>458,623</u>

Of the \$710,937 Cash and Cash Equivalents, \$197,881 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

## 10. Accounts Receivable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	15,487	7,668	29,758
Receivables Farm	41,690	95,000	42,476
Banking Staffing Underuse	5,305	-	6,617
Teacher Salaries Grant Receivable	193,643	163,011	163,011
	<u>256,125</u>	<u>265,679</u>	<u>241,862</u>
Receivables from Exchange Transactions	15,487	7,668	29,758
Receivables from Non-Exchange Transactions	240,638	258,011	212,104
	<u>256,125</u>	<u>265,679</u>	<u>241,862</u>

## 11. Livestock

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Dairy Cows	351,799	327,250	327,250
Rising 2 yr Heifers	84,600	79,550	79,550
Rising 1yr Heifers	44,375	32,550	32,550
Bulls	10,420	-	-
	<u>491,194</u>	<u>439,350</u>	<u>439,350</u>

## 12. Investments

The School's investment activities are classified as follows:

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Non-current Asset			
Fonterra	399,570	394,981	369,466
Balance Agri Nutrients	25,515	26,125	25,515
KIC Co-operative	976	610	610
<b>Total Investments</b>	<b>426,061</b>	<b>421,716</b>	<b>395,591</b>

## 13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2020</b>						
Buildings	287,122	22,380			(32,861)	276,641
Furniture and Equipment	277,377	16,970			(23,607)	270,740
Information and Communication Technology	25,675	19,594	(71)		(26,196)	19,002
Motor Vehicles	40,666	62,978			(11,313)	92,331
Plant and Equipment	230,259	43,833	(1,748)		(42,465)	229,879
Leased Assets	87,481	33,035			(53,307)	67,209
Library Resources	3,456				(432)	3,024
<b>Balance at 31 December 2020</b>	<b>952,036</b>	<b>198,790</b>	<b>(1,819)</b>	<b>-</b>	<b>(190,181)</b>	<b>958,825</b>

The net carrying value of equipment held under a finance lease is \$67,209 (2019: \$87,481)

The net carrying value of motor vehicles held under a finance lease is \$Nil (2019: \$Nil)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2020</b>			
Buildings	823,857	(547,215)	276,642
Furniture and Equipment	359,592	(88,854)	270,738
Information and Communication Technology	84,902	(65,900)	19,002
Motor Vehicles	152,140	(59,808)	92,332
Textbooks	497,013	(267,134)	229,879
Leased Assets	150,670	(83,462)	67,208
Library Resources	123,742	(120,718)	3,024
<b>Balance at 31 December 2020</b>	<b>2,191,916</b>	<b>(1,233,091)</b>	<b>958,825</b>

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	272,225	46,849			(31,952)	287,122
Furniture and Equipment	287,977	12,681			(23,281)	277,377
Information and Communication Technology	60,344	1,060			(35,729)	25,675
Motor Vehicles	50,406				(9,740)	40,666
Plant and equipment	233,594	44,380	(7,182)		(40,533)	230,259
Leased Assets	61,122	88,416			(62,057)	87,481
Library Resources	7,849				(4,393)	3,456
<b>Balance at 31 December 2019</b>	<b>973,517</b>	<b>193,386</b>	<b>(7,182)</b>	<b>-</b>	<b>(207,685)</b>	<b>952,036</b>

The net carrying value of equipment held under a finance lease is \$87,481 (2018: \$61,222)

The net carrying value of motor vehicles held under a finance lease is \$Nil (2018: \$Nil)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	801,477	(514,355)	287,122
Furniture and Equipment	342,623	(65,246)	277,377
Information and Communication Technology	142,430	(116,755)	25,675
Motor Vehicles	89,162	(48,496)	40,666
Plant and Equipment	462,171	(231,912)	230,259
Leased Assets	180,798	(93,317)	87,481
Library Resources	123,742	(120,286)	3,456
<b>Balance at 31 December 2019</b>	<b>2,142,403</b>	<b>(1,190,367)</b>	<b>952,036</b>

#### 14. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	106,355	22,000	24,026
Operating Creditors	29,395	(29,395)	35,824
Accruals	11,510	-	16,218
Employee Entitlements - Salaries	251,315	163,011	163,011
Employee Entitlements - Leave Accrual	7,275	7,725	23,814
	<b>405,850</b>	<b>163,341</b>	<b>262,893</b>
 Payables for Exchange Transactions	 405,850	 163,341	 262,893
	<b>405,850</b>	<b>163,341</b>	<b>262,893</b>

The carrying value of payables approximates their fair value.





#### 15. Borrowings

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Due in One Year	1,012	1,012	541
	<u>1,012</u>	<u>1,012</u>	<u>541</u>

The school has borrowings at 31 December 2020 of \$1,012 (31 December 2019 \$541. This loan is from Spark Mobile purpose of mobile phone. The loan is unsecured, interest free and the loan is payable over 12 months.

#### 16. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	125,658	91,219	138,598
	<u>125,658</u>	<u>91,219</u>	<u>138,598</u>

#### 17. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	38,000	38,000	19,000
Increase/ (decrease) to the Provision During the Year	19,000	19,000	19,000
Provision at the End of the Year	<u>57,000</u>	<u>57,000</u>	<u>38,000</u>
Cyclical Maintenance - Term	57,000	57,000	38,000
	<u>57,000</u>	<u>57,000</u>	<u>38,000</u>

#### 18. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	48,304	48,304	48,308
Later than One Year and no Later than Five Years	19,601	19,601	41,964
	<u>67,905</u>	<u>67,905</u>	<u>90,272</u>

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



## 19. 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:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
MOE Property Projects	<i>completed</i>	8,676	-	-	-	8,676
Boundary Fencing	<i>in progress</i>	35,751	-	(36,943)	-	(1,192)
Caretaker Shed	<i>in progress</i>	45,380	-	(2,462)	-	42,918
Block Upgrades	<i>in progress</i>	-	20,044	(3,210)	-	16,834
Emergency Water Tanks	<i>in progress</i>	-	53,745	(58,186)	-	(4,441)
Airconditioning	<i>in progress</i>	-	42,863	(1,788)	-	41,075
Bore Water	<i>in progress</i>	-	27,000	(33,777)	-	(6,777)
Basketball Court Cover	<i>in progress</i>	-	46,789	(6,390)	-	40,399
Totals		89,807	190,441	(142,756)	-	137,492

### Represented by:

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

109,503  
(27,989)

137,492

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
MOE Projects	<i>completed</i>	8,676	-	-	-	8,676
Boundary Fence	<i>in progress</i>	-	291,862	(256,111)	-	35,751
Caretaker Shed	<i>in progress</i>	-	69,637	(24,257)	-	45,380
Totals		8,676	361,499	(280,368)	-	89,807

## 20. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Revenue and Expense. During the year the funds were spent on curriculum and employee benefit expenses, administration and property management expenses.

## 21. 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.





## 22. Remuneration

### Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,640	4,125
Full-time equivalent members	0.16	0.16
<i>Leadership Team</i>		
Remuneration	500,409	560,931
Full-time equivalent members	6	6
Total key management personnel remuneration	505,049	565,056
Total full-time equivalent personnel	6.16	6.16

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	60-70
Benefits and Other Emoluments	4-5	2-3
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000 100-110	2020 FTE Number	2019 FTE Number
	4.00	1.00
	4.00	1.00

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



### 23. 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:

	2020 Actual	2019 Actual
Total		\$32,570
Number of People		3

### 24. Contingencies

There is a contingent liability in regards to the Emissions Trading Scheme of approximately \$1,469,314 as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: \$1,040,634).

#### *Holidays Act Compliance – schools payroll*

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

### 25. Commitments

#### (a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

- (a) \$47,626 contract for Airconditioning Units to be completed in 2021, which will be fully funded by the Ministry of Education. \$42,863 has been received of which \$1,788 has been spent on the project to date; and
- (b) \$467,893 contract for Basketball Court Cover. This project is fully funded by the Ministry and \$46,789 has been received of which \$6,390 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) \$200,439 for Classroom Block Upgrades. The project is fully funded by the Ministry and \$20,044 has been received of which \$3,210 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2019: \$361,498)



## (b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

- (a) operating lease of a EFTPOS Machine;
- (b) operating lease of vans;
- (c) operating lease of photocopiers

No later than One Year

Later than One Year and No Later than Five Years

2020 Actual	2019 Actual
\$	\$
73,576	74,555
13,288	53,245
<u>86,864</u>	<u>127,800</u>

## 26. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

## 27. 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

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Cash and Cash Equivalents	710,937	706,434	458,623
Receivables	256,125	265,679	241,862
Investments - Term Deposits	399,570	394,981	369,466
Total Financial assets measured at amortised cost	<u>1,366,632</u>	<u>1,367,094</u>	<u>1,069,951</u>

### Financial liabilities measured at amortised cost

Payables	405,850	163,341	262,893
Borrowings - Loans	1,012	1,012	541
Finance Leases	67,905	67,905	90,274
Total Financial Liabilities Measured at Amortised Cost	<u>474,767</u>	<u>232,258</u>	<u>353,708</u>

## 28. Events After Balance Date

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

## 29. Comparatives

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





**NORTHLAND  
COLLEGE**

62 Mangakahia Road  
PO Box 261  
Kaikohe 0440  
Phone: 09-401-3200  
Fax: 09-401-2378  
Email:  
admin@northlandcollege.  
school.nz

Kiwisport Funding for the year end  
31 December 2020

The Ministry of Education Kiwisport funding received was  
\$6,362.10 + GST. This was spent on sports training equipment,  
sports trips and sports coordinator.

-----  
Signed by Principal

John Kendal

Northland College

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF NORTHLAND COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Northland College (the School). The Auditor-General has appointed me, Stewart Russell, using the staff and resources of PKF Francis Aickin Ltd, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2020, 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 2020; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting.

Our audit was completed on 25 May 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees 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 of Trustees for the financial statements

The Board of Trustees 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.

Tel +64 9 408 9366

kaitaia@pkffa.co.nz • www.pkffa.co.nz

2 Redan Road • P O Box 2 • KAITAIA 0441 New Zealand

Directors: Dale Adamson, CA; Stewart Russell, CA

Consultant: Eddie Aickin, BCOM, CA

PKF Francis Aickin Limited is a member firm of the PKF International Limited and PKF New Zealand Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member or correspondent firm or firms.



The Board of Trustees 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 of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' responsibilities arise from 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 Novopay 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 of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 21, 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 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Stewart Russell  
PKF Francis Aickin Ltd  
On behalf of the Auditor-General  
Kaitia, New Zealand