

BLUE MOUNTAIN COLLEGE



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:

391

Principal:

Lindy Cavanagh-Monaghan

School Address:

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BLUE MOUNTAIN COLLEGE

Annual Report - For the year ended 31 December 2020

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Blue Mountain 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 reflect the financial position and operations of the School.

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

Shona Elizabeth Jones Robertson
Full Name of Board Chairperson

Lindy Jay Cavanagh - Monaghan
Full Name of Principal


Signature of Board Chairperson


Signature of Principal

9/8/21
Date:

9/8/21
Date:

Blue Mountain College

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Shona Robertson	Chairperson	Elected	Dec 2022
Lindy Cavanagh-Monaghan	Principal	ex Officio	
Alan Richardson	Parent Rep	Elected	Apr 2021
Craig Dew	Parent Rep	Elected	Apr 2021
Nicky Horrell	Parent Rep	Elected	Apr 2021
Phillip Reid	Parent Rep	Elected	Dec 2022
Bill Butler	Parent Rep	Elected	Dec 2020
Martin Murrell	Staff Rep	Elected	Apr 2021
Kelly Takurua	Maori Rep	Co-opted	Apr 2020
Chelsea Dew	Student Rep	Elected	Sep 2021
Paige Mclvor	Student Rep	Co-opted	Dec 2020

Blue Mountain College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	3,810,015	3,362,198	3,326,584
Locally Raised Funds	3	325,807	200,324	256,175
Interest Income		11,801	11,900	15,581
International Students	4	24,977	19,217	18,683
		<u>4,172,600</u>	<u>3,593,639</u>	<u>3,617,023</u>
Expenses				
Locally Raised Funds	3	108,158	133,328	173,457
International Students	4	20,042	21,781	13,709
Learning Resources	5	2,734,365	2,377,770	2,351,047
Administration	6	165,908	175,748	186,616
Finance		1,058	-	1,541
Property	7	1,044,458	827,830	796,931
Depreciation	8	82,231	84,345	84,345
Loss on Disposal of Property, Plant and Equipment		2,252	-	3,356
		<u>4,158,472</u>	<u>3,620,802</u>	<u>3,611,002</u>
Net Surplus / (Deficit) for the year		14,128	(27,163)	6,021
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>14,128</u>	<u>(27,163)</u>	<u>6,021</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.

Blue Mountain College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		978,203	978,203	972,182
Total comprehensive revenue and expense for the year		14,128	(27,163)	6,021
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	-
Equity at 31 December	25	994,206	951,040	978,203
Retained Earnings		994,206	951,040	978,203
Equity at 31 December		994,206	951,040	978,203

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.

Blue Mountain College

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	811,961	600,801	543,619
Accounts Receivable	10	228,307	242,014	242,014
GST Receivable		32,655	-	-
Prepayments		28,562	22,578	22,578
Inventories	11	-	77	77
Investments	12	403,150	398,600	398,600
Funds owing for Capital Works Projects	19	72,772	-	-
		<u>1,577,407</u>	<u>1,264,070</u>	<u>1,206,888</u>
Current Liabilities				
GST Payable		-	8,613	8,613
Accounts Payable	14	358,063	219,508	219,508
Revenue Received in Advance	15	127,591	151,661	151,661
Provision for Cyclical Maintenance	16	15,059	23,333	23,333
Finance Lease Liability - Current Portion	17	5,698	28,309	28,309
Funds held in Trust	18	51,400	60,400	60,400
Funds held for Capital Works Projects	19	198,763	97,156	97,156
		<u>756,574</u>	<u>588,980</u>	<u>588,980</u>
Working Capital Surplus/(Deficit)		820,833	675,090	617,908
Non-current Assets				
Property, Plant and Equipment	13	537,567	413,956	498,301
		<u>537,567</u>	<u>413,956</u>	<u>498,301</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	360,988	133,332	133,332
Finance Lease Liability	17	3,206	4,674	4,674
		<u>364,194</u>	<u>138,006</u>	<u>138,006</u>
Net Assets		<u>994,206</u>	<u>951,040</u>	<u>978,203</u>
Equity	25	<u>994,206</u>	<u>951,040</u>	<u>978,203</u>

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

Blue Mountain College
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,010,274	835,944	797,620
Locally Raised Funds		326,652	200,324	319,875
International Students		14,760	19,217	9,217
Goods and Services Tax (net)		(41,268)	-	(11,443)
Payments to Employees		(562,824)	(504,797)	(466,431)
Payments to Suppliers		(382,533)	(505,406)	(713,429)
Funds Administered on Behalf of Third Parties		(9,000)	-	4,329
Interest Paid		-	-	1,541
Interest Received		20,875	11,900	5,838
Net cash from/(to) Operating Activities		376,936	57,182	(52,883)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(112,284)	-	(7,620)
Purchase of Investments		(4,550)	-	-
Net cash from/(to) Investing Activities		(116,834)	-	(7,620)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,875	-	-
Finance Lease Payments		(22,470)	-	(31,432)
Funds held for Capital Works Projects		28,835	-	(116,156)
Net cash from/(to) Financing Activities		8,240	-	(147,588)
Net increase/(decrease) in cash and cash equivalents		268,342	57,182	(208,091)
Cash and cash equivalents at the beginning of the year	9	543,619	543,619	751,710
Cash and cash equivalents at the end of the year	9	811,961	600,801	543,619

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.

Blue Mountain College

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

Blue Mountain 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.

1.2. 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.

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.

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 16.

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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

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 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.

1.4. 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.

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 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 comprise 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.

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 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 – Crown	10-40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	8 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
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. 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.

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. Employment 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

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 are recorded as revenue as the obligations are fulfilled and the fees earned.

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 Revenue and Expense.

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

1.16. 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).

1.17. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.18. 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.

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	746,723	713,911	643,522
Teachers' Salaries Grants	2,250,392	1,956,264	1,972,131
Use of Land and Buildings Grants	562,696	569,990	569,990
Other MoE Grants	206,042	88,700	96,511
Other Government Grants	44,162	33,333	44,430
	<u>3,810,015</u>	<u>3,362,198</u>	<u>3,326,584</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$26,447 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	161,185	34,526	60,938
Fundraising	15,532	-	-
Bequests & Grants	5,213	5,213	5,536
Other Revenue	47,481	30,890	29,290
Trading	4,871	11,738	10,626
Activities	91,525	117,957	127,489
Overseas Trip Income	-	-	22,296
	<u>325,807</u>	<u>200,324</u>	<u>256,175</u>
Expenses			
Activities	84,689	120,242	136,098
Trading	5,422	7,800	9,478
Fundraising (Costs of Raising Funds)	13,509	-	-
Transport (Local)	4,538	5,286	5,821
Overseas Trip Expenses	-	-	22,060
	<u>108,158</u>	<u>133,328</u>	<u>173,457</u>
<i>Surplus for the year Locally raised funds</i>	<u>217,649</u>	<u>66,996</u>	<u>82,718</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	1	1	1
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	24,977	19,217	18,683
Expenses			
Commissions	1,800	1,434	1,435
Recruitment	496	2,230	1,126
International Student Levy	166	133	76
Employee Benefit - Salaries	5,354	7,474	89
Other Expenses	12,226	10,510	10,983
	<u>20,042</u>	<u>21,781</u>	<u>13,709</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>4,935</u>	<u>(2,564)</u>	<u>4,974</u>

5. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	120,984	153,491	121,178
Equipment Repairs	2,239	3,000	4,320
Information and Communication Technology	13,703	8,500	10,069
Library Resources	1,144	2,960	2,740
Employee Benefits - Salaries	2,573,894	2,174,619	2,181,799
Staff Development	22,401	35,200	30,941
	<u>2,734,365</u>	<u>2,377,770</u>	<u>2,351,047</u>

6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,713	5,385	5,547
Board of Trustees Fees	4,855	4,000	4,820
Board of Trustees Expenses	6,611	8,550	7,332
Communication	7,838	5,992	7,131
Consumables	13,664	9,900	9,685
Other	17,018	16,277	19,579
Employee Benefits - Salaries	89,943	106,899	114,482
Insurance	13,245	11,865	11,240
Service Providers, Contractors and Consultancy	7,021	6,880	6,800
	<u>165,908</u>	<u>175,748</u>	<u>186,616</u>

7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	6,085	4,000	4,697
Consultancy and Contract Services	12,387	7,350	10,810
Cyclical Maintenance Provision	42,207	-	(25,438)
Adjustment to the Provision	177,175	-	-
Grounds	12,806	13,100	25,618
Heat, Light and Water	43,695	47,600	45,074
Rates	2,742	3,455	3,456
Repairs and Maintenance	9,471	10,266	18,864
Use of Land and Buildings	562,696	569,990	569,990
Employee Benefits - Salaries	175,194	172,069	143,860
	<u>1,044,458</u>	<u>827,830</u>	<u>796,931</u>

The Use of Land and Buildings figure represents 8% 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.

8. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	19,830	19,719	19,719
Furniture and Equipment	21,985	28,452	28,452
Information and Communication Technology	20,338	13,579	13,579
Motor Vehicles	5,386	2,258	2,258
Leased Assets	12,789	18,190	18,190
Library Resources	1,903	2,147	2,147
	<u>82,231</u>	<u>84,345</u>	<u>84,345</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	148	-	148
Bank Current Account	308,061	600,801	308,354
Bank Call Account	503,752	-	235,117
Cash and cash equivalents for Statement of Cash Flows	<u>811,961</u>	<u>600,801</u>	<u>543,619</u>

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

Of the \$811,961 Cash and Cash Equivalents, \$198,763 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.

Of the \$811,961 Cash and Cash Equivalents, \$2,570 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$811,961 Cash and Cash Equivalents, \$242,053 is held as tagged funds by the School. This is for expenditures relating to future overseas trips.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	6,806	4,074	4,074
Receivables from the Ministry of Education	32,370	77,279	77,279
Interest Receivable	9,055	18,129	18,129
Teacher Salaries Grant Receivable	180,076	142,532	142,532
	<u>228,307</u>	<u>242,014</u>	<u>242,014</u>
Receivables from Exchange Transactions	15,861	22,203	22,203
Receivables from Non-Exchange Transactions	212,446	219,811	219,811
	<u>228,307</u>	<u>242,014</u>	<u>242,014</u>

11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Canteen	-	77	77
	<u>-</u>	<u>77</u>	<u>77</u>

12. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	403,150	398,600	398,600
Total Investments	<u>403,150</u>	<u>398,600</u>	<u>398,600</u>



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	362,878	2,504	(617)	-	(19,830)	344,935
Furniture and Equipment	74,550	18,501	(819)	-	(21,985)	70,247
Information and Communication Technology	24,099	57,318	-	-	(20,338)	61,079
Motor Vehicles	6,003	48,000	(8,500)	-	(5,386)	40,117
Leased Assets	15,745	4,915	-	-	(12,789)	7,871
Library Resources	15,026	1,011	(816)	-	(1,903)	13,318
Balance at 31 December 2020	498,301	132,249	(10,752)	-	(82,231)	537,567

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	584,506	(239,571)	344,935
Furniture and Equipment	916,960	(846,713)	70,247
Information and Communication Technology	430,897	(369,818)	61,079
Motor Vehicles	76,310	(36,193)	40,117
Leased Assets	116,627	(108,756)	7,871
Library Resources	55,589	(42,271)	13,318
Balance at 31 December 2020	2,180,889	(1,643,322)	537,567

The net carrying value of equipment held under a finance lease is \$7,871 (2019: \$15,745)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	382,597	-	-	-	(19,719)	362,878
Furniture and Equipment	98,932	6,440	(2,370)	-	(28,452)	74,550
Information and Communication Technology	37,678	-	-	-	(13,579)	24,099
Motor Vehicles	8,261	-	-	-	(2,258)	6,003
Leased Assets	31,049	2,886	-	-	(18,190)	15,745
Library Resources	16,979	1,180	(986)	-	(2,147)	15,026
Balance at 31 December 2019	575,496	10,506	(3,356)	-	(84,345)	498,301

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	586,410	(223,532)	362,878
Furniture and Equipment	943,416	(868,866)	74,550
Information and Communication Technology	415,363	(391,264)	24,099
Motor Vehicles	36,810	(30,807)	6,003
Leased Assets	137,235	(121,490)	15,745
Library Resources	57,713	(42,687)	15,026
Balance at 31 December 2019	2,176,947	(1,678,646)	498,301

14. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
Operating creditors	102,028	31,520	31,520
Accruals	5,713	6,379	6,379
Banking staffing overuse	22,350	-	-
Employee Entitlements - salaries	180,768	143,723	143,723
Employee Entitlements - leave accrual	47,204	37,886	37,886
	358,063	219,508	219,508
Payables for Exchange Transactions	358,063	219,508	219,508
	358,063	219,508	219,508

The carrying value of payables approximates their fair value.



15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	2,570	20,000	20,000
International Student Fees	-	10,217	10,217
Other	125,021	121,444	121,444
	<u>127,591</u>	<u>151,661</u>	<u>151,661</u>

16. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	156,665	156,665	182,103
Increase/ (decrease) to the Provision During the Year	42,207	-	14,917
Adjustment to the Provision	177,175	-	(40,355)
Provision at the End of the Year	<u>376,047</u>	<u>156,665</u>	<u>156,665</u>
Cyclical Maintenance - Current	15,059	23,333	23,333
Cyclical Maintenance - Term	360,988	133,332	133,332
	<u>376,047</u>	<u>156,665</u>	<u>156,665</u>

17. 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	6,199	29,159	29,159
Later than One Year and no Later than Five Years	3,463	4,849	4,849
	<u>9,662</u>	<u>34,008</u>	<u>34,008</u>

18. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	51,400	60,400	60,400
	<u>51,400</u>	<u>60,400</u>	<u>60,400</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

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 \$
Special Needs Modification	In Progress	25,903	145,220	(195,258)	-	(24,135)
Boiler Project	Completed	2,773	-	(2,773)	-	-
Relocatables	In Progress	68,480	652,877	(527,779)	-	193,578
LSC Co-ordinators Office	Completed	-	27,568	(27,401)	-	167
Hall Roofing Replacement	Completed	-	75,710	(70,692)	-	5,018
Fencing Special Needs	In Progress	-	72,408	(75,029)	-	(2,621)
Block A Remodel	In Progress	-	-	(46,016)	-	(46,016)
Totals		<u>97,156</u>	<u>973,783</u>	<u>(944,948)</u>	<u>-</u>	<u>125,991</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	198,763
Funds Due from the Ministry of Education	(72,772)
	<u>125,991</u>

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Special Needs Project	Completed	(11,589)	66,597	(55,008)	-	-
Dust Extraction Project	Completed	2,071	-	(2,071)	-	-
Special Needs Modification	In Progress	222,830	965,007	(1,161,934)	-	25,903
Boiler Project	In Progress	-	28,190	(25,417)	-	2,773
Relocatables	In Progress	-	297,199	(228,719)	-	68,480
Totals		213,312	1,356,993	(1,473,149)	-	97,156

20. 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.

21. Remuneration

Key management personnel compensation

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

	2020 Actual	2019 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	4,855	4,820
Full-time equivalent members	0.19	0.19
<i>Leadership Team</i>		
Remuneration	398,280	344,096
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	403,135	348,916
Total full-time equivalent personnel	3.19	3.19

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

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

	2020 Actual	2019 Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	130 - 140
Benefits and Other Emoluments	3 - 4	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	2020 FTE Number	2019 FTE Number
100 - 110	2.00	1.00
120 - 130	1.00	-
	3.00	1.00

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

22. 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	\$ -	\$ -
Number of People	-	-

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

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.

24. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) The School, as agent for the Ministry of Education, has entered into contracts in relation to the Special Needs Modifications to be completed in 2021, which will be fully funded by the Ministry of Education. The project had an estimated cost of \$1,208,166, however further funding has been approved, with a total of \$1,360,226 received to date. An amount of \$1,384,361 has been spent on the project.

(b) The School, as agent for the Ministry of Education, has entered into contracts in relation to the Relocatables Project to be completed in 2021, which will be fully funded by the Ministry of Education. The school has received \$950,076 received to date, of which \$756,498 has been spent on the project to date.

(c) A contract to upgrade the Special Needs Fencing, and is to be fully funded by the Ministry. \$72,408 has been received and \$75,029 has been spent on the project to balance date.

(d) A contract to remodel Block 1, and is to be fully funded by the Ministry. No funds have been received and \$46,016 has been spent on the project at balance date.

(Capital commitments at 31 December 2019: \$147,156)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: \$nil)

25. 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.

26. 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	811,961	600,801	543,619
Receivables	228,307	242,014	242,014
Investments - Term Deposits	403,150	398,600	398,600
Total Financial assets measured at amortised cost	<u>1,443,418</u>	<u>1,241,415</u>	<u>1,184,233</u>

Financial liabilities measured at amortised cost

Payables	358,063	219,508	219,508
Finance Leases	8,904	32,983	32,983
Total Financial liabilities measured at amortised Cost	<u>366,967</u>	<u>252,491</u>	<u>252,491</u>

27. Events After Balance Date

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

28. Comparatives

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



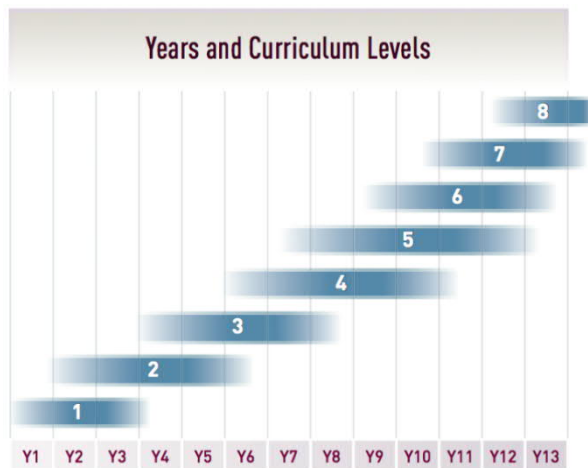
2020 Planning and Reporting Goals and Targets arising from the BMC Strategic Plan

Our strategic goals reflect the national education goals and the local goals. They are also informed by the analysis of the 2019 goals.

Overall focus: Improving student achievement

Goal 1: To have HODs work with the Senior Dean to ensure each student has a personalised programme across all learning areas to gain the appropriate NCEA qualification. Continue to encourage each student to set aspirational goals in terms of overall Merit and Excellence Endorsements and Individual Course endorsements, with at least one overall Excellence at each of the three levels as well as a high proportion of Merits

Goal 2: To have all Year 7 & 8 students demonstrate progress with their learning across the 2020 year with a particular focus on Literacy and Numeracy progress.



In 2020 there will be an intentional emphasis on supporting third wave learners to boost their progress, including investment from the Board of Trustees in targeted PLD provided by a nationally recognised expert, for both teachers and teacher aides

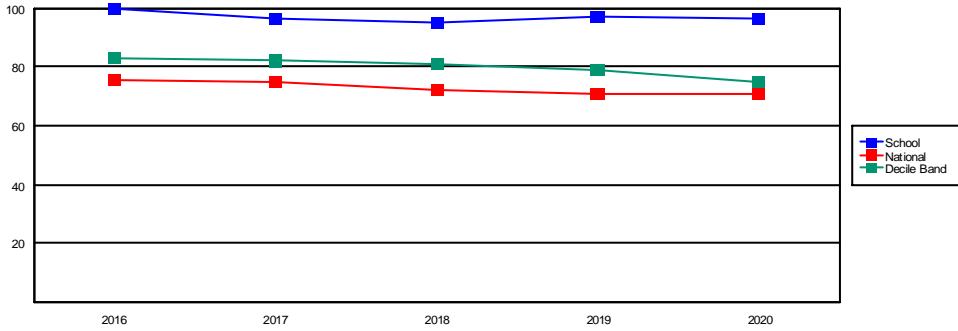
Goal 3: To find strategies to collectively support Year 9 & 10 students to build their resilience as learners. We aim to train all Year 9s and 10s in SMART goal setting to help them foster strategies which encourage positive personal and academic behaviours as the students work towards their chosen careers. Building on the work done in 2019, interested staff will be invited to act as mentors.

Goal 4: To provide appropriate career education and guidance for all students in Year 7 and above, with deliberate emphasis on specific career guidance for those students who have been identified as being at risk of leaving school unprepared for the transition to the workplace or further education/training – this may include exploring resources such as My Mahi and/or Dream Catcher and a focus on exposing all students the myriad career avenues associated with primary industries

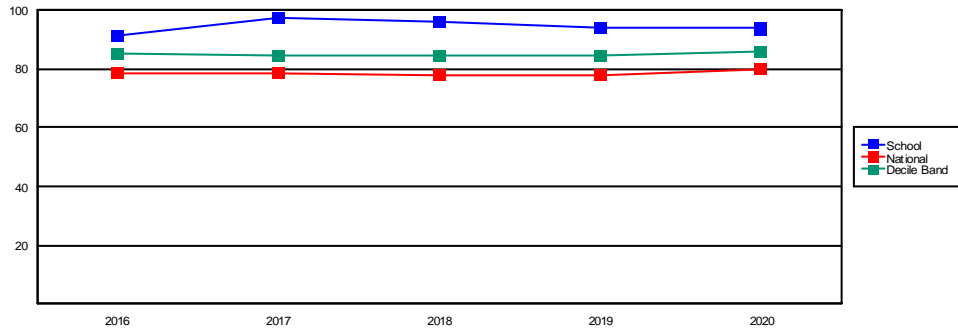
PD Goal: Through the Kahui Ako and using the Technology PLD Contract (UTB) provide opportunities for all staff to advance their pedagogical skills in relation to blended learning and implementation of the Digital Technology Curriculum. To further support staff, the Board are committed to funding access to quality devices for all of Year 7&8

Goal 1

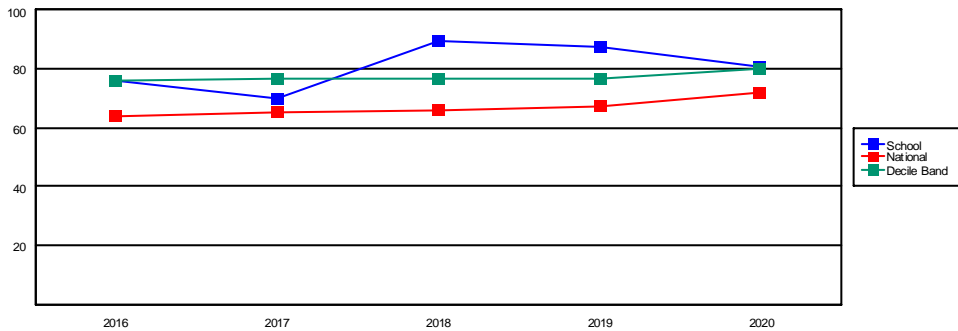
Year 11 - NCEA Level 1



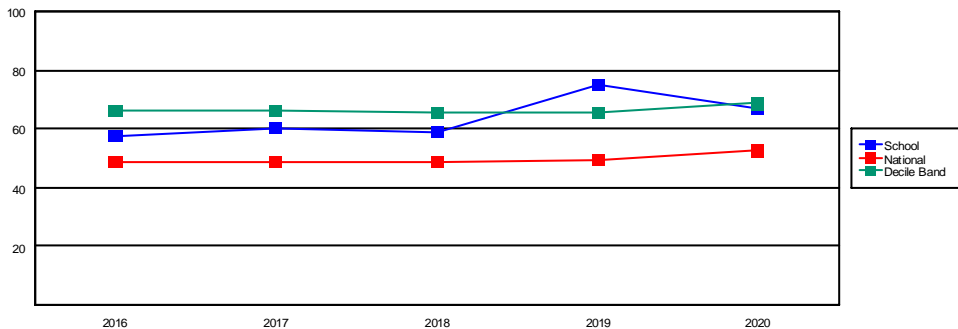
Year 12 - NCEA Level 2



Year 13 - NCEA Level 3



Year 13 - University Entrance



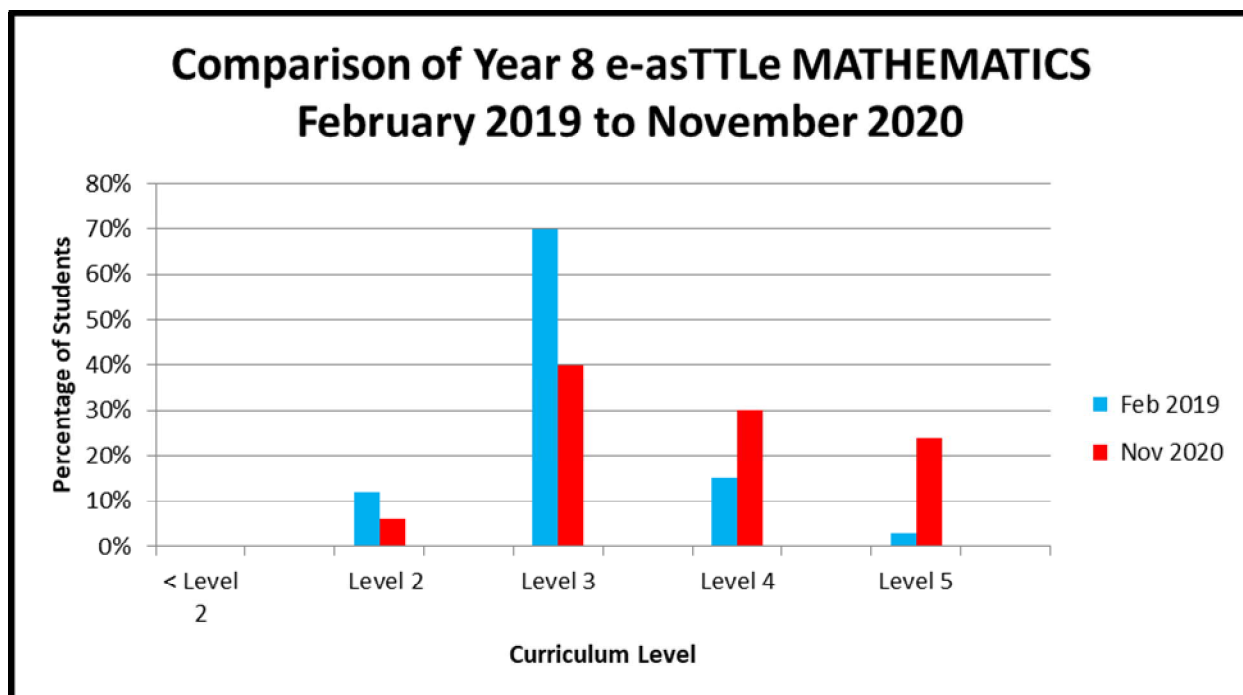
There could have been a fall-off in our consistently strong statistics as a result of the pandemic but due to hard work on the part of students, staff and whanau we were able to maintain very high pass rates of 96.2% at NCEA Level 1, 93.5% at Level 2 and 81% at Level 3. All of the Year 13 students who had courses designed to gain University Entrance did so, meaning each was able to pursue the pathway chosen. We achieved our goal of students gaining at least one overall Excellence Endorsement at each of NCEA Levels 1,2&3 and were particularly pleased with the high number of Merits at Level 3.

Goal 2

Two Year Comparison of Year 8 e-asTTLe Mathematics results of students who have spent TWO years in the Junior School, tested February 2019 and November 2020.

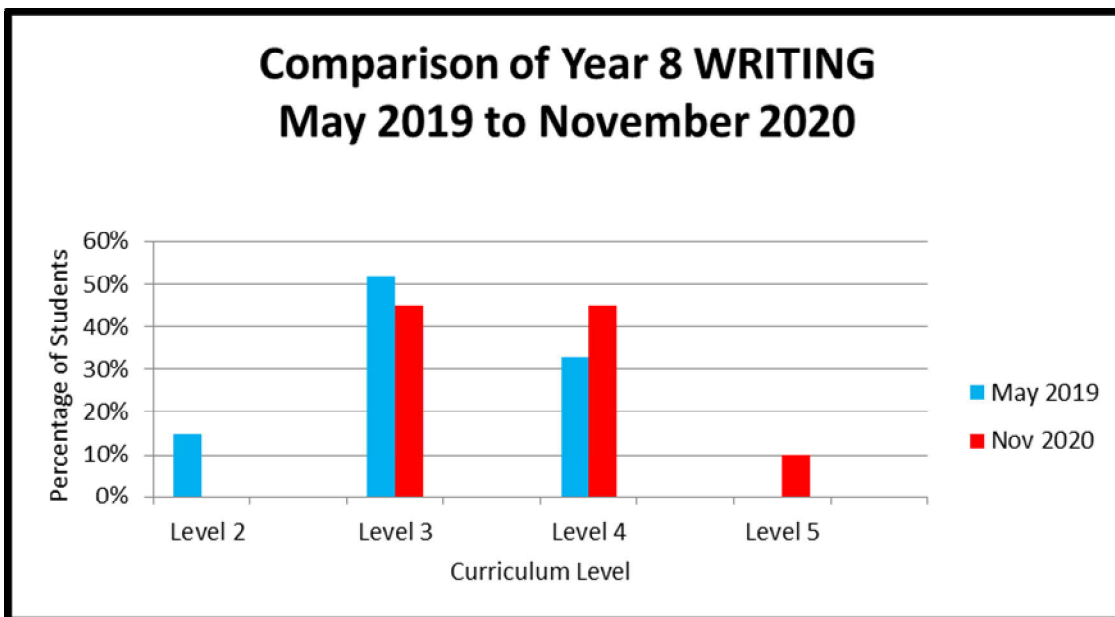
(The students who have left or entered during that time are not included in this data)

Maths Levels	Students Feb 2019	Students Nov 2020	Male Feb 2019	Male Nov 2020	Female Feb 2019	Female Nov 2020	Maori Feb 2019	Maori Nov 2020
Level 5	1 3%	8 24%	0 %	5 31%	1 6%	3 18%	1G 25%	1B,1G 50%
Level 4	5 15%	10 30%	4 25%	3 19%	1 6%	7 41%	1B 25%	0
Level 3	23 70%	13 40%	10 63%	7 44%	13 76%	6 35%	1B,1G 50%	1G 25%
Level 2	4 12%	2 6%	2 12%	1 6%	2 12%	1 6%	0	1B 25%
Totals	33	33	16	16	17	17	4	4



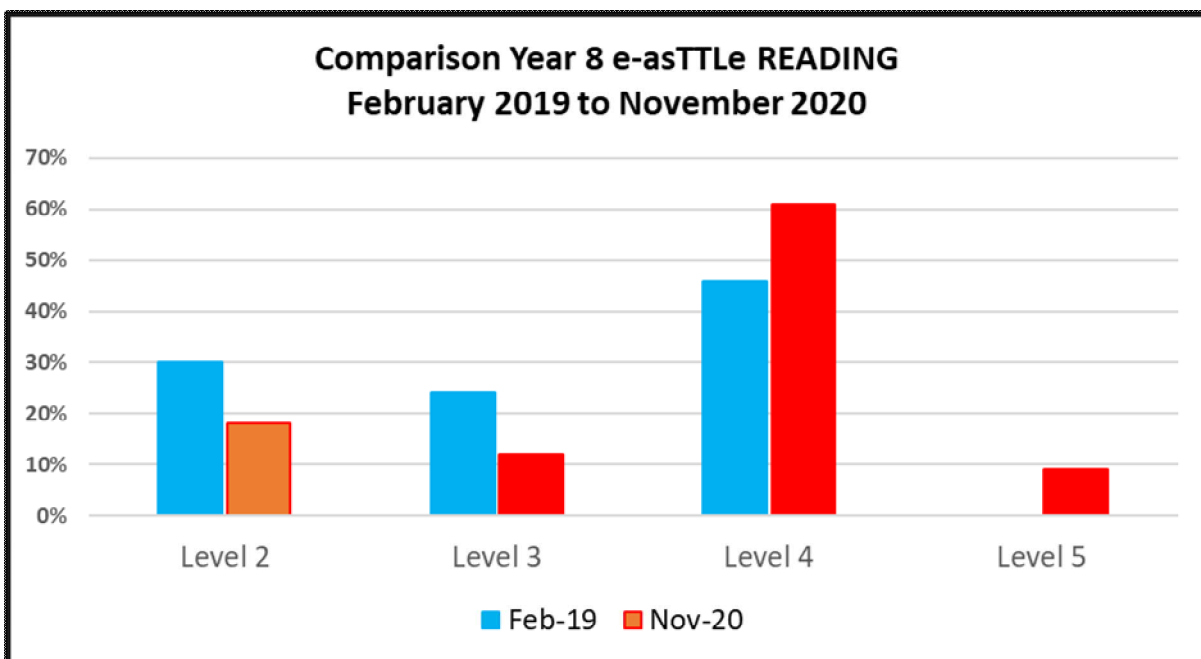
Comparison of Year 8 writing results of students who have spent TWO years in the Junior School – May 2019 and November 2020 Writing Assessment Results
 (The students who have left or entered during that time have not been included in this data)

Writing Levels	Students May 2019	Students Nov 2020	Male May 2019	Male Nov 2020	Female May 2019	Female Nov 2020	Maori May 2019	Maori Nov 2020
Level 5	0	3 10%	0	1 6%	0	2 12%	0	2 50%
Level 4	11 33%	15 45%	5 31%	5 31%	6 35%	10 59%	2 50%	0
Level 3	17 52%	15 45%	7 44%	10 63%	10 59%	5 29%	1 25%	2 50%
Level 2	5 15%	0	4 25%	0	1 6%	0	1 25%	0
Totals	33	33	16	16	17	17	4	4



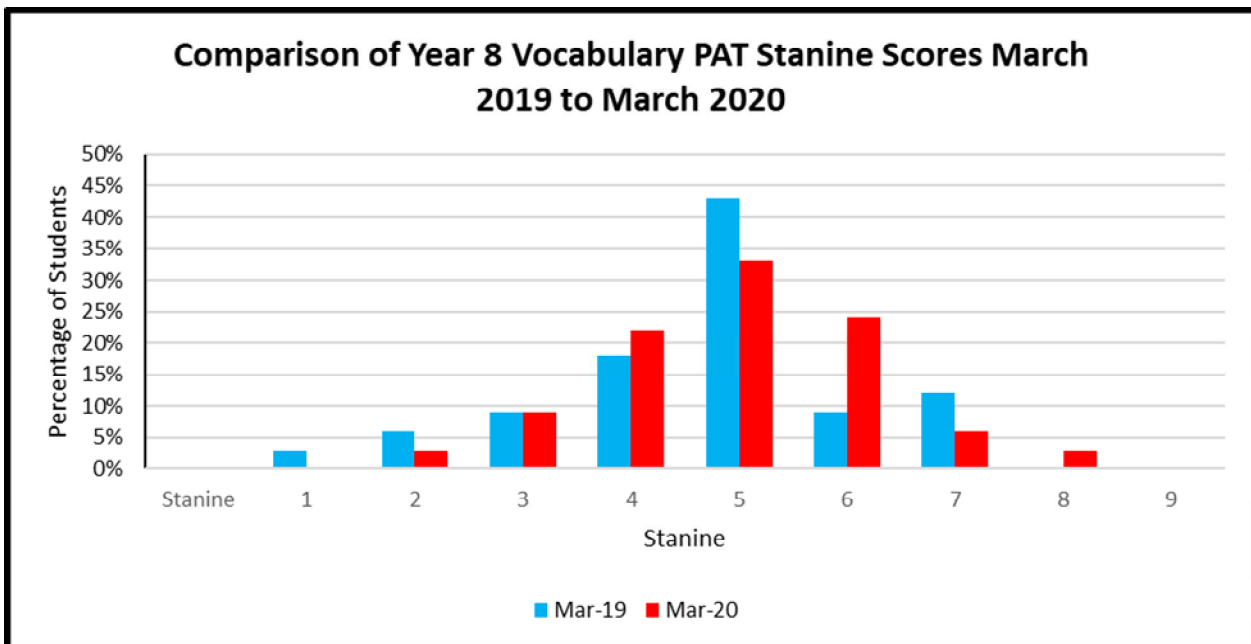
Comparison of Year 8 e-asTTle reading results of students who have spent TWO years in the Junior School (The students who have left or entered during that time are not included in this data)

Reading Levels	Students Feb 2019	Students Nov 2020	Male Feb 2019	Male Nov 2020	Female Feb 2019	Female Nov 2020	Maori Feb 2019	Maori Nov 2020
Level 5	0	3 9%	0	0	0	3 18%	0	1 25%
Level 4	15 46%	20 61%	8 50%	9 56%	7 41%	11 64%	2 50%	1 25%
Level 3	8 24%	4 12%	2 12%	4 25%	6 35%	0	1 25%	0
Level 2	10 30%	6 18%	6 38%	3 19%	4 24%	3 18%	1 25%	2 50%
Totals	33	33	16	16	17	17	4	4



Comparison of Year Eight Vocabulary PAT Results over two years – The students were first tested in March 2019 and these scores were compared against their February 2020 scores. (The students who left or arrived during the two years are not included in this data)

Stanine Scores	Total March 2019	Total March 2020	Male March 2019	Male March 2020	Female March 2019	Female March 2020	Maori March 2019	Maori March 2020
9	0	0		0		0		0
8	0	1 3%	0	1 6%	0	0	0	1B 25%
7	4 12%	2 6%	2 13%	2 13%	2 12%	0	1B,1G 50%	0
6	3 9%	8 24%	1 6%	4 25%	2 12%	4 24%	0	1G 25%
5	14 43%	11 33%	6 38%	5 31%	8 47%	6 35%	0	0
4	6 18%	7 22%	4 25%	4 25%	2 12%	3 18%	1B 25%	1B 25%
3	3 9%	3 9%	1 6%	0	2 12%	3 18%	1G 25%	1G 25%
2	2 6%	1 3%	1 6%	0	1 5%	1 5%	0	0
1	1 3%	0	1 6%	0	0	0	0	0
TOTAL	33	33	16	16	17	17	4	4



Goal 3

Our smart goals and mentoring programme was severely impacted by COVID-19 and our focus shifted more to online learning and managing self under those conditions. The students at Years 9&10 displayed admirable resilience and the mentoring role became more in the hands of the Form Teachers and Deans, as regular face to face meet ups were untenable for significant periods of time. This has informed a slight change in focus for 2021 where Form Time programming will look different and the focus will essentially be on the Key Competencies.

Goal 4

We were very successful with keeping our senior students engaged for the full school year and those who transitioned out partway through the year (one female and two males) all went into fulltime paid employment. Two males gained apprenticeships for 2021 and the remainder of our Year 13 students were embarking on tertiary study. We didn't advance the educative aspect of this goal as far as we would have liked in 2020, partially due to COVID - 19 disruptions and also changes in staff personnel. We have now settled on My Mahi as a base resource and made several forays associated with the primary industries when Alert Levels allowed, particularly with our Year 7&8 students.

PD Goal

Fortuitously the Board funded laptops for our Year 7&8 classes and these arrived just prior to lockdown. Similarly, we completed our contact work with UTB in the early part of 2020 and this provided invaluable confidence for our teaching staff as we were forced into the online teaching and learning space much sooner than we were planning for. Microsoft Teams and ZOOM were vital communication platforms and the former streamlined feedback on submitted work considerably.

BLUE MOUNTAIN COLLEGE

2020 KIWISPORT FUNDING

Kiwi sport is a Government funding initiative to support student participation in organised sport.

During 2020, Blue Mountain College received \$4810.01 + GST to assist in the funding of our Sport Coordinator Phillipa Reihana who is employed for 15 hours per week at \$21.31 per hour throughout the School year.

In 2020 our School Roll Year 7- Year 13 was 228 pupils with 151 pupils Year 9-13.

Phillippa organises, collates data, enters students and finds coaches for many sports such as Basketball, Touch and Netball as well as managing uniforms, attending meetings and liaising with community groups. She is also responsible for organising, distributing equipment, maintaining the Musac data base doing the annual sports census, organising groups and sporting gear for our compulsory Friday sport hour. Phillipa organises the school Cross Country and then the students who qualify to go on to represent at a higher level. She also assists at the Eastern & Southland Primary School Athletics at whatever job is allocated to her on the day. She is the Manager of those athletes who qualify for Otago Athletics in Dunedin. Not only does Phillipa work with the Year 9+ students she works to encourage and promote active participation among the Year 7/8 students. In Term 1 2020 she organised South Otago/West Otago Primary School Triathlon in Balclutha and then was the Marshal at the Otago/Southland Championships that due to Covid 19 were held in Balclutha again. In Term 3/4 she organised the Tony Tourell Year 7/8 Golf Tournament and the Clutha Eights Year 7/8 Cricket held in Milton. She also organised a school Triathlon as part of the Arts Week programme for juniors. Phillipa also organises school exchange programmes with other schools. All of the events involved budgeting and organising transport, health and safety and adult supervision, so there is a lot of preparatory work involved as well as active supervision and attendance herself.

Phillippa's work in providing a wide range of opportunities for our students to actively participate in organised sport is invaluable to our school and makes a huge contribution to the overall well-being of our students.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BLUE MOUNTAIN COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Blue Mountain College (the School). The Auditor-General has appointed me, Greg Thomas, 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 19, 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, which have been prepared on a disestablishment basis:

- 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 Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 9 August 2021. 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 of Trustees 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. If the Board concludes that the going concern basis of accounting is inappropriate, the Board is responsible for preparing financial statements on a non-going concern basis and making appropriate disclosures.

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

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 non-going concern basis of accounting by the Board.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 20 to 27 and page 3, but does not include the financial statements, and our auditor's report thereon.

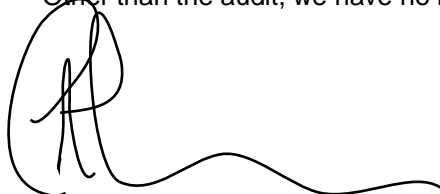
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Greg Thomas
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand