

BLUE MOUNTAIN COLLEGE



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 391

Principal: Lindy Cavanagh-Monaghan

School Address: State Highway 90, Tapanui, 9522

School Phone: 03 204 8358

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BLUE MOUNTAIN COLLEGE

Annual Report - For the year ended 31 December 2022

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Blue Mountain College

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Phil Reid

Full Name of Presiding Member

Signed by:

F9951EB36D090412

Signature of Presiding Member

Date: 15/05/2023

Lindy Cavanagh-Monaghan

Full Name of Principal

Signed by:

C3962CD828A84180

Signature of Principal

Date: 11/05/2023

Blue Mountain College

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Phillip Reid	Presiding Member	Elected	Sep 2025
Lindy Cavanagh-Monaghan	Principal	ex Officio	
Helen van der Linden	Parent Representative	Elected	Sep 2025
Mark Tiller	Parent Representative	Elected	Sep 2025
Shona Robertson	Parent Representative	Elected	Sep 2022
Alan Richardson	Parent Representative	Elected	May 2022
Craig Dew	Parent Representative	Elected	Sep 2022
Nicky Horrell	Parent Representative	Elected	Sep 2025
Bill Butler	Parent Representative	Co-opted	Dec 2022
Jaki Eales	Maori Representative	Co-opted	Sep 2025
Kelly Takurua	Maori Representative	Co-opted	May 2022
Matthew Short	Staff Representative	Elected	Sep 2025
Skyla Bennett	Student Representative	Elected	Sep 2022
Hannah Reid	Student Representative	Elected	Sep 2023

Blue Mountain College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,889,099	3,684,030	3,718,439
Locally Raised Funds	3	326,573	187,518	361,680
Interest Income		12,562	10,000	10,364
		<u>4,228,234</u>	<u>3,881,548</u>	<u>4,090,483</u>
Expenses				
Locally Raised Funds	3	138,281	92,135	334,798
Learning Resources	4	2,952,181	2,763,498	2,886,729
Administration	5	209,386	186,050	193,897
Finance		3,748	-	4,131
Property	6	834,695	861,024	675,816
Loss on Disposal of Property, Plant and Equipment		170	-	2,000
		<u>4,138,461</u>	<u>3,902,707</u>	<u>4,097,371</u>
Net Surplus / (Deficit) for the year		89,773	(21,159)	(6,888)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>89,773</u>	<u>(21,159)</u>	<u>(6,888)</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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		1,002,158	1,002,158	994,206
Total comprehensive revenue and expense for the year		89,773	(21,159)	(6,888)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	14,840
Equity at 31 December		1,091,931	980,999	1,002,158
Accumulated comprehensive revenue and expense		1,091,931	980,999	1,002,158
Equity at 31 December		1,091,931	980,999	1,002,158

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 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	1,192,026	311,288	410,211
Accounts Receivable	8	225,148	225,233	225,233
GST Receivable		-	11,217	11,217
Prepayments		27,699	25,833	25,833
Inventories	9	12,157	-	-
Investments	10	403,150	350,000	350,000
Funds Receivable for Capital Works Projects	17	-	62,673	62,673
		<u>1,860,180</u>	<u>986,244</u>	<u>1,085,167</u>
Current Liabilities				
GST Payable		36,883	-	-
Accounts Payable	12	449,188	296,840	296,840
Revenue Received in Advance	13	45,651	6,502	6,502
Provision for Cyclical Maintenance	14	19,159	15,000	166,394
Finance Lease Liability	15	18,103	17,451	17,451
Funds held in Trust	16	69,624	50,400	50,400
Funds held for Capital Works Projects	17	550,898	58,544	58,544
		<u>1,189,506</u>	<u>444,737</u>	<u>596,131</u>
Working Capital Surplus/(Deficit)		670,674	541,507	489,036
Non-current Assets				
Investments	10	-	53,150	53,150
Property, Plant and Equipment	11	530,109	519,341	586,063
		<u>530,109</u>	<u>572,491</u>	<u>639,213</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	93,383	100,724	93,816
Finance Lease Liability	15	15,469	32,275	32,275
		<u>108,852</u>	<u>132,999</u>	<u>126,091</u>
Net Assets		<u>1,091,931</u>	<u>980,999</u>	<u>1,002,158</u>
Equity		<u>1,091,931</u>	<u>980,999</u>	<u>1,002,158</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 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,059,153	967,715	915,049
Locally Raised Funds		320,592	187,518	247,677
International Students		25,311	-	-
Goods and Services Tax (net)		48,100	-	21,438
Payments to Employees		(663,981)	(609,030)	(646,973)
Payments to Suppliers		(675,535)	(639,848)	(751,198)
Interest Received		9,311	10,000	17,756
Net cash from/(to) Operating Activities		122,951	(83,645)	(196,251)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(30,091)	(15,278)	(75,447)
Net cash (to)/from Investing Activities		(30,091)	(15,278)	(75,447)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	14,840
Finance Lease Payments		(14,830)	-	(13,772)
Funds Administered on Behalf of Third Parties		703,785	-	(131,120)
Net cash from/(to) Financing Activities		688,955	-	(130,052)
Net increase/(decrease) in cash and cash equivalents				
		<u>781,815</u>	<u>(98,923)</u>	<u>(401,750)</u>
Cash and cash equivalents at the beginning of the year	7	410,211	410,211	811,961
Cash and cash equivalents at the end of the year	7	<u>1,192,026</u>	<u>311,288</u>	<u>410,211</u>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been 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 2022

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 is of the view that the School is a public benefit entity for financial reporting purposes.

1.2. Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 22b.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Operating Lease Payments

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

1.5. Finance Lease Payments

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

1.6. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, and deposits held at call with bank. The carrying amount of cash and cash equivalents represent fair value.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The school's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

1.8. Inventories

Inventories are consumable items held for sale and comprised of stationery, canteen 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 funded by the Board to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10-40 years
Furniture and equipment	3-10 years
Information and communication technology	5 years
Motor vehicles	8 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

1.12. Accounts Payable

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

1.13. Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

1.14. Revenue Received in Advance

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

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

1.15. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

1.16. Funds held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

1.17. Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

1.18. Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

1.19. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

1.20. Budget Figures

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

1.21. Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	1,017,525	908,661	893,026
Teachers' Salaries Grants	2,290,996	2,165,000	2,272,692
Use of Land and Buildings Grants	538,822	569,990	512,821
Other Government Grants	41,756	40,379	39,900
	<u>3,889,099</u>	<u>3,684,030</u>	<u>3,718,439</u>

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	68,548	71,420	64,451
Curriculum related Activities - Purchase of goods and services	2,025	100	309
Fees for Extra Curricular Activities	74,655	62,608	53,800
Trading	3,650	3,800	4,214
Fundraising & Community Grants	125,960	17,568	77,079
Other Revenue	46,641	32,022	45,930
Tour Income	-	-	115,897
International Student Fees	5,094	-	-
	<u>326,573</u>	<u>187,518</u>	<u>361,680</u>
Expenses			
Extra Curricular Activities Costs	95,124	75,258	72,273
Trading	3,513	3,100	2,297
Fundraising & Community Grant Costs	21,180	5,500	44,115
Other Locally Raised Funds Expenditure	13,056	7,356	5,472
Transport (Local)	-	-	1,176
Tour Expenses	-	-	209,465
International Student - Student Recruitment	2,643	-	-
International Student - Other Expenses	2,765	921	-
	<u>138,281</u>	<u>92,135</u>	<u>334,798</u>
	<u>188,292</u>	<u>95,383</u>	<u>26,882</u>

Surplus / (Deficit) for the year Locally raised funds

During the year the School hosted 1 International student (2021:nil)

During 2021 a group of staff & students travelled to the North Island during the school holidays for an Educational Tour. This trip cost \$209,465, and was funded from student contributions of \$115,897 and fundraising. Net fundraising in relation to the tour of \$104,482 was recognised in the 2020 financial statements, with the balance raised included in 2021 fundraising income.

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	137,922	147,087	135,064
Equipment Repairs	622	2,000	4,814
Information and Communication Technology	8,435	8,250	9,766
Library Resources	1,298	2,215	1,024
Employee Benefits - Salaries	2,679,883	2,477,100	2,617,242
Staff Development	33,142	30,900	29,007
Depreciation	90,879	95,946	89,812
	<u>2,952,181</u>	<u>2,763,498</u>	<u>2,886,729</u>

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	7,262	7,050	7,050
Board Fees	5,225	6,000	3,090
Board Expenses	9,455	12,360	6,879
Communication	4,804	5,800	5,443
Consumables	21,335	21,500	26,672
Other	16,418	12,904	15,025
Employee Benefits - Salaries	126,272	102,255	111,941
Insurance	12,710	12,276	12,040
Service Providers, Contractors and Consultancy	5,905	5,905	5,757
	<u>209,386</u>	<u>186,050</u>	<u>193,897</u>

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	4,991	5,000	4,766
Consultancy and Contract Services	9,203	6,600	6,729
Cyclical Maintenance Provision	20,745	24,514	(115,837)
Grounds	18,161	14,100	13,400
Heat, Light and Water	53,704	53,920	52,748
Rates	2,046	2,100	2,035
Repairs and Maintenance	16,046	8,800	21,288
Use of Land and Buildings	538,822	569,990	512,821
Employee Benefits - Salaries	170,977	176,000	177,866
	<u>834,695</u>	<u>861,024</u>	<u>675,816</u>

The Use of Land and Buildings figure represents 5% of the school's total property value. Property values are established as part of the nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	1,192,026	311,288	410,211
Cash and Cash Equivalents for Statement of Cash Flows	<u>1,192,026</u>	<u>311,288</u>	<u>410,211</u>

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

Of the \$1,192,026 Cash and Cash Equivalents, \$680,432 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

Of the \$1,192,026 Cash and Cash Equivalents, \$22,081 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. If these conditions are not met, the funds will need to be returned.

Of the \$1,192,026 Cash and Cash Equivalents, \$120,029 is held by the School as tagged funds. This is for expenditure relating to future trips.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	28	2,290	2,290
Receivables from the Ministry of Education	-	10,929	10,929
Interest Receivable	4,914	1,663	1,663
Banking Staffing Underuse	15,346	18,675	18,675
Teacher Salaries Grant Receivable	204,860	191,676	191,676
	<u>225,148</u>	<u>225,233</u>	<u>225,233</u>
Receivables from Exchange Transactions	4,942	3,953	3,953
Receivables from Non-Exchange Transactions	220,206	221,280	221,280
	<u>225,148</u>	<u>225,233</u>	<u>225,233</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	12,157	-	-
	<u>12,157</u>	<u>-</u>	<u>-</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	403,150	350,000	350,000
Non-current Asset			
Long-term Bank Deposits	-	53,150	53,150
Total Investments	<u>403,150</u>	<u>403,150</u>	<u>403,150</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	329,586	-	-	-	(20,026)	309,560
Furniture and Equipment	82,932	22,520	-	-	(20,366)	85,086
Information and Communication Technology	78,878	11,503	-	-	(25,191)	65,190
Motor Vehicles	33,267	-	-	-	(6,851)	26,416
Leased Assets	49,034	1,678	-	-	(18,445)	32,267
Library Resources	12,366	-	(776)	-	-	11,590
Balance at 31 December 2022	<u>586,063</u>	<u>35,701</u>	<u>(776)</u>	<u>-</u>	<u>(90,879)</u>	<u>530,109</u>

The net carrying value of equipment held under a finance lease is \$32,267 (2021: \$49,034)

Restrictions

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

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	588,404	(278,844)	309,560	588,404	(258,818)	329,586
Furniture and Equipment	964,560	(879,474)	85,086	943,695	(860,763)	82,932
Information and Communication Technology	386,915	(321,725)	65,190	380,466	(301,588)	78,878
Motor Vehicles	76,310	(49,894)	26,416	76,310	(43,043)	33,267
Leased Assets	74,730	(42,463)	32,267	75,938	(26,904)	49,034
Library Resources	56,197	(44,607)	11,590	55,917	(43,551)	12,366
Balance at 31 December	<u>2,147,116</u>	<u>(1,617,007)</u>	<u>530,109</u>	<u>2,120,730</u>	<u>(1,534,667)</u>	<u>586,063</u>

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	184,749	42,340	42,340
Accruals	8,561	8,869	8,869
Employee Entitlements - Salaries	214,062	195,424	195,424
Employee Entitlements - Leave Accrual	41,816	50,207	50,207
	<u>449,188</u>	<u>296,840</u>	<u>296,840</u>
Payables for Exchange Transactions	449,188	296,840	296,840
	<u>449,188</u>	<u>296,840</u>	<u>296,840</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	22,081	-	-
International Student Fees in Advance	20,217	-	-
Other Revenue in Advance	3,353	6,502	6,502
	<u>45,651</u>	<u>6,502</u>	<u>6,502</u>

14. Provision for Cyclical Maintenance

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	260,210	260,210	376,047
Increase to the Provision During the Year	33,302	24,514	24,514
Other Adjustments	(12,557)	-	(140,351)
Use of the Provision During the Year	(168,413)	(169,000)	-
Provision at the End of the Year	<u>112,542</u>	<u>115,724</u>	<u>260,210</u>
Cyclical Maintenance - Current	19,159	15,000	166,394
Cyclical Maintenance - Non current	93,383	100,724	93,816
	<u>112,542</u>	<u>115,724</u>	<u>260,210</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

15. Finance Lease Liability

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

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	20,228	21,035	21,035
Later than One Year and no Later than Five Years	16,545	35,334	35,334
Future Finance Charges	(3,201)	(6,643)	(6,643)
	<u>33,572</u>	<u>49,726</u>	<u>49,726</u>
Represented by:			
Finance lease liability - Current	18,103	17,451	17,451
Finance lease liability - Non current	15,469	32,275	32,275
	<u>33,572</u>	<u>49,726</u>	<u>49,726</u>

16. Funds Held in Trust

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	69,624	50,400	50,400
	<u>69,624</u>	<u>50,400</u>	<u>50,400</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.

17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Special Needs Modification # 211446	(28,887)	74,725	(45,838)	-	-
Relocatables # 215314	(33,786)	61,506	(27,720)	-	-
Block A Remodel # 215713	58,544	750,000	(299,027)	-	509,517
Block C Workshop Remodel #215716	-	70,961	(29,580)	-	41,381
Totals	(4,129)	957,192	(402,165)	-	550,898

Represented by:

Funds Held on Behalf of the Ministry of Education 550,898

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Special Needs Modification # 211446	(24,135)	-	(4,752)	-	(28,887)
Relocatables # 215314	193,578	-	(227,364)	-	(33,786)
LSC Co-ordinators Office	167	1,063	(1,230)	-	-
Hall Roofing Replacement	5,018	1,712	(6,730)	-	-
Fencing Special Needs	(2,621)	5,600	(2,979)	-	-
Block A Remodel # 215713	(46,016)	125,290	(20,730)	-	58,544
Frost Damage Remediation	-	7,897	(7,897)	-	-
Totals	125,991	141,562	(271,682)	-	(4,129)

Represented by:

Funds Held on Behalf of the Ministry of Education 58,544
 Funds Receivable from the Ministry of Education (62,673)

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2022 Actual	2021 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	5,225	3,090
<i>Leadership Team</i>		
Remuneration	398,058	423,136
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	403,283	426,226

There are eight members of the Board excluding the Principal. The Board had held eleven full meetings of the Board in the year. The Board also has three Finance and two Property members that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	170-180
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:

	2022	2021
	FTE Number	FTE Number
	\$000	\$000
100 -110	3.00	5.00
110 -120	1.00	2.00
120 - 130	1.00	1.00
	<u>5.00</u>	<u>8.00</u>

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

20. Compensation and Other Benefits Upon Leaving

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

	2022	2021
	Actual	Actual
Total	\$ -	\$ 7,500
Number of People	-	1

21. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. 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 2022, a contingent liability for the school may exist.

Additional funding wash up payment

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) Contracts have been entered into in relation to the Block A Remodel. This project has a total estimated cost of \$1,254,779 and is currently scheduled to be completed in 2023. This project is to be fully funded by the Ministry of Education. \$875,290 has been received of which \$365,773 has been spent on the project to date; and

(b) The school has contracted for design fees in relation to the remodel of the C Block workshop. The total cost of this design project is estimated to be \$70,961, which the school has contracted into with several contractors as agent for the Ministry of Education. The project is fully funded by the Ministry. An amount of \$70,961 has been received from the Ministry for this project, of which \$29,580 has been spent on the project to balance date. The design project phase only has been approved by the Ministry.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$1,254,779)

(b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: nil)

23. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	1,192,026	311,288	410,211
Receivables	225,148	225,233	225,233
Investments - Term Deposits	403,150	403,150	403,150
Total Financial assets measured at amortised cost	<u>1,820,324</u>	<u>939,671</u>	<u>1,038,594</u>

Financial liabilities measured at amortised cost

Payables	449,188	296,840	296,840
Finance Leases	33,572	49,726	49,726
Total Financial liabilities measured at amortised Cost	<u>482,760</u>	<u>346,566</u>	<u>346,566</u>

24. Events After Balance Date

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

25. Comparatives

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



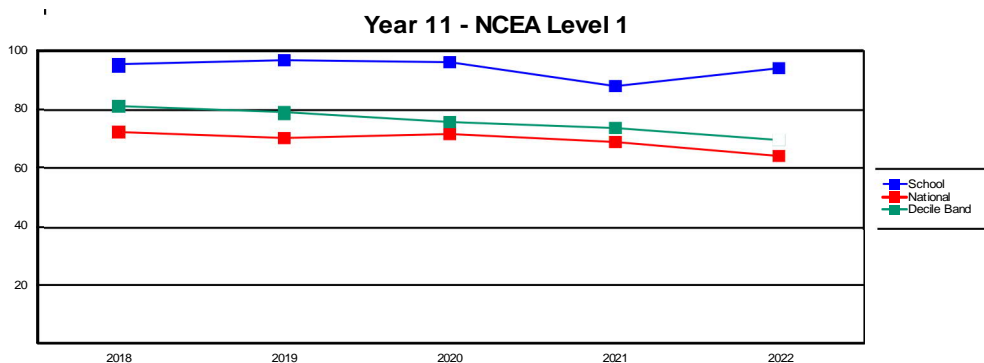
2022 Planning and Reporting Goals and Targets arising from the BMC Strategic Plan – Analysis of Variance

Our strategic goals reflect the national education goals and the local goals. They are also informed by the analysis of the 2021 goals.

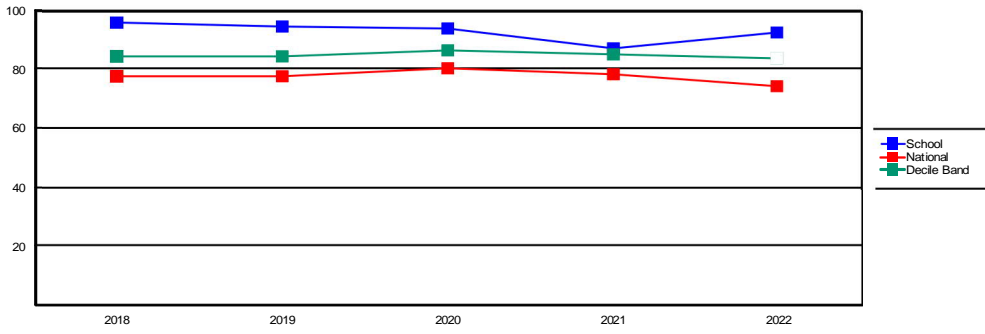
Overall focus: Improving student achievement

- Goal 1:** To have HODs and the SENCO 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 find strategies to collectively support Year 7-13 students to build age-appropriate critical capabilities (as per the Kahui Ako transition milestones) through bespoke Form Time programmes and intentional teaching
- Goal 3:** To build stronger connections with our parent/whanau and wider communities including through Kapa Haka and Local Curriculum initiatives

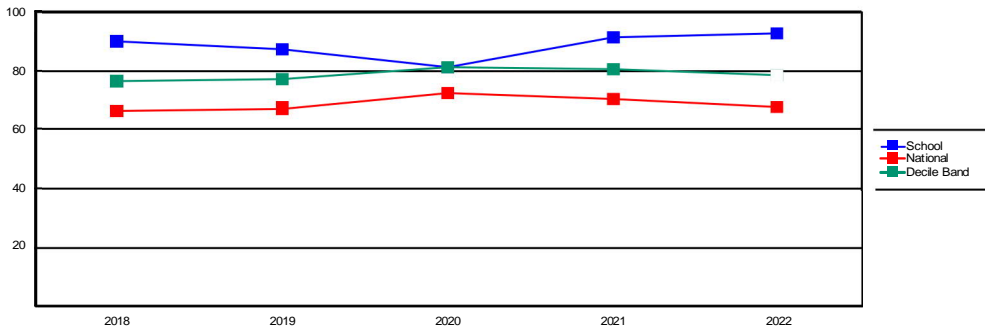
Goal 1



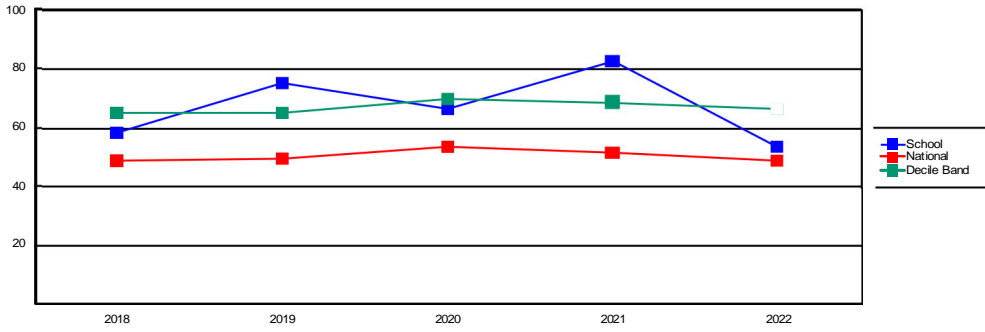
Year 12 - NCEA Level 2



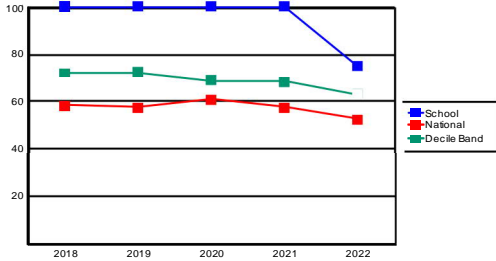
Year 13 - NCEA Level 3



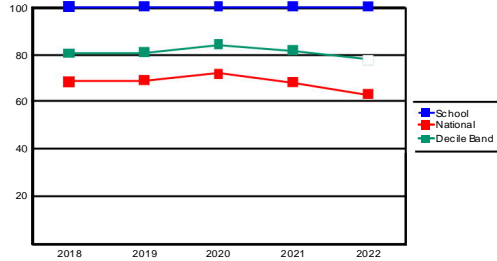
Year 13 - University Entrance

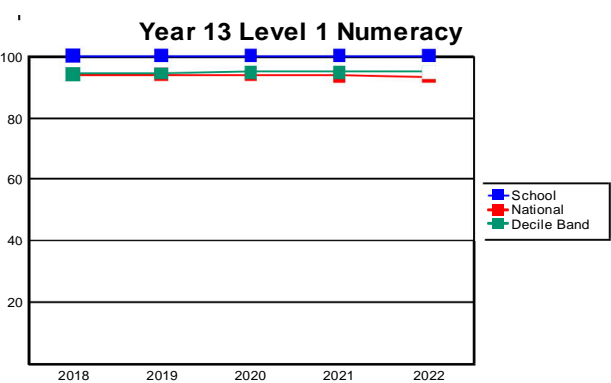
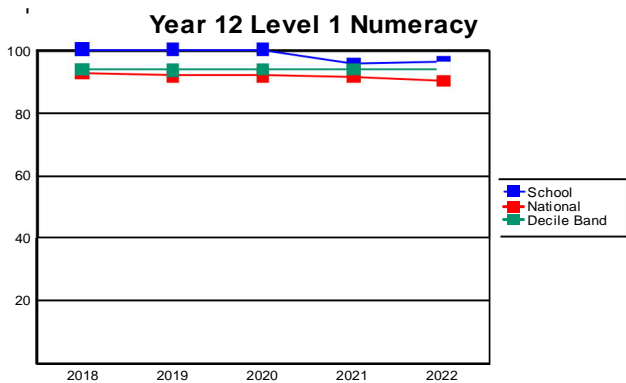
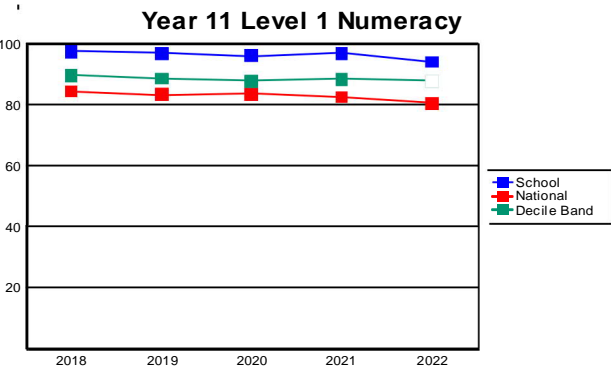
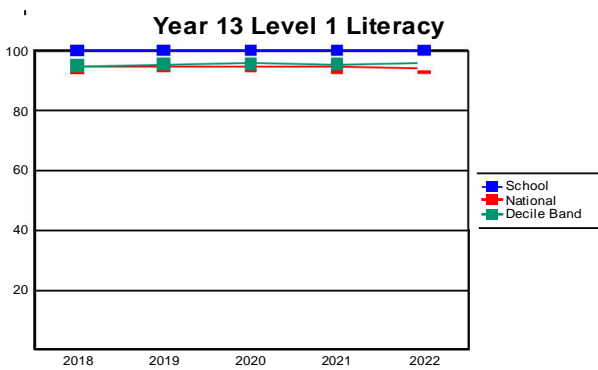
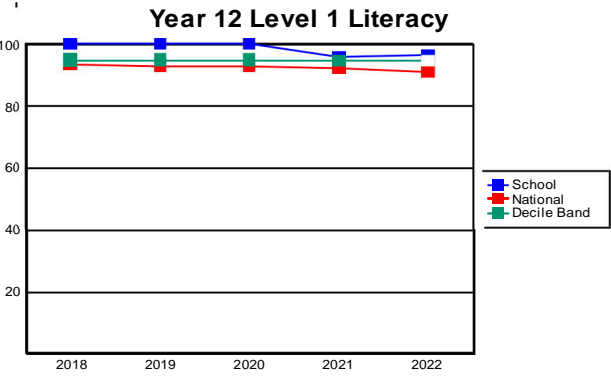
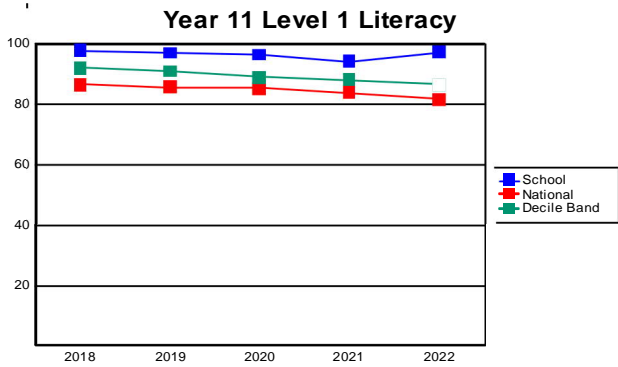
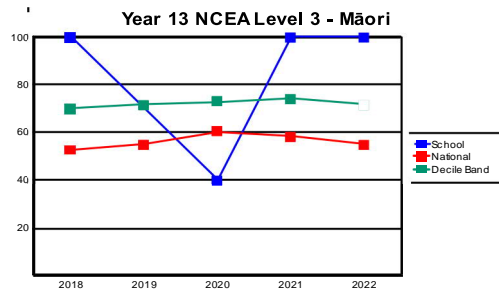


Year 11 NCEA Level 1 - Māori



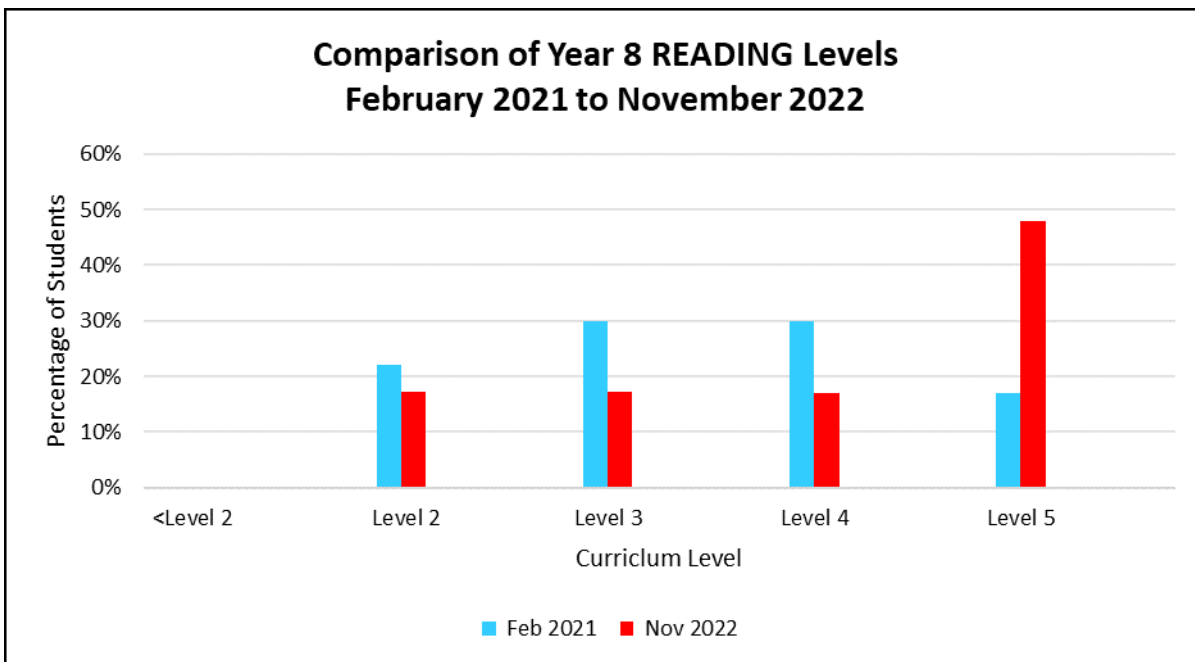
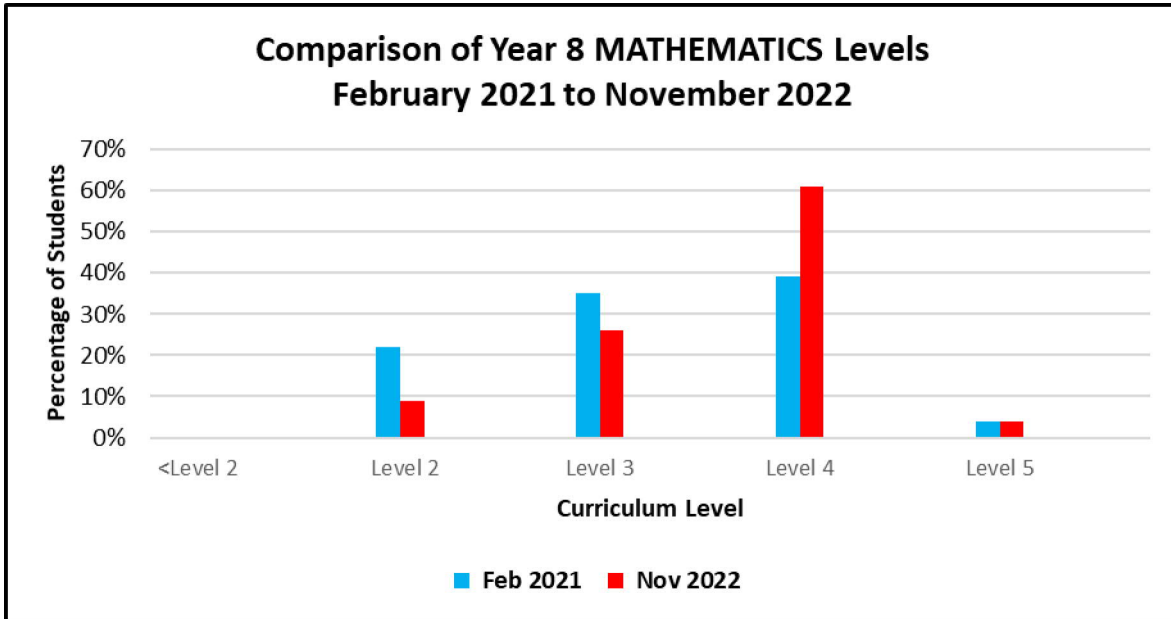
Year 12 NCEA Level 2 - Māori

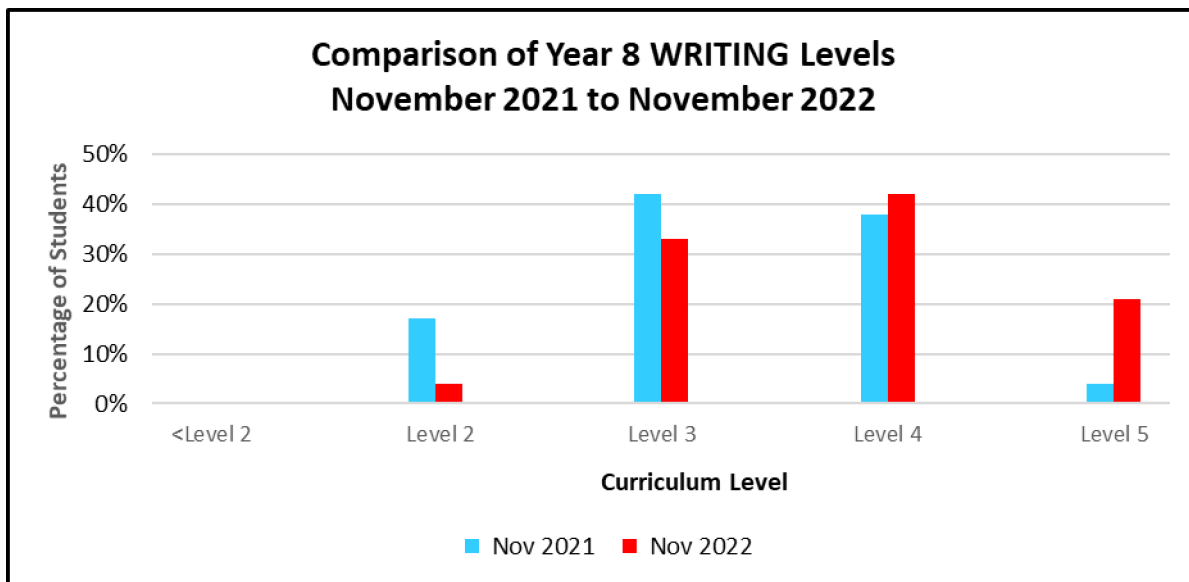




This data is not completely up to date but the only likely change would be in the number of overall excellence endorsements at NCEA Level 2 where we are awaiting refreshed data following re-marking submissions from individual students. The overall results in terms of both Merit and Excellence endorsements at Levels 1 and 2 were great as was the overall pass rate at all three levels, particularly in comparison with national and decile band statistics. While we were disappointed not to gain overall excellence endorsements at Level 3, the proportion of overall merits was very pleasing indeed. In terms of University Entrance, while down on last year's results and just above the national figure, were as expected based on course design, with one notable exception. It was gratifying for the

students to do so well in the light of the third consecutive year of COVID-19 challenges and arguably the most challenging. One of the highlights of 2022 was the successes of the the students who were granted SAC support. These interventions made a concrete measurable difference to the quality of their NCEA results. Our Maori students all gained the qualification at Levels 2&3 and our statistics at Level 1 although still above the national and decile band results were lower than normal for us and skewed by the two Year 11 students who left early in the year, both being of Maori descent. It is our belief that the foundational work done with our Year 7&8 students is crucial to success with Literacy and Numeracy at NCEA Level so keep a careful eye on the progress made by these students from entry to the end of Year 8.





Goal 2

We made good progress with this in 2022 and are building a useful database of teaching ideas appropriate to each different year level with leadership from the Assistant Principal and Deans. The Kāhui Ako CAKE inquiry group which was focused on Years 9&10 did some very beneficial work in gathering student voice and evaluating our teaching and learning approaches with a view to raising student engagement, including through broadening local curriculum experiences. The follow on from this work will become a specific goal in 2023 in the form of a Middle School Taskforce working alongside our ERO partner. COVID-19 related issues again scuppered some of our ability to bring in a range of guest speakers but fortunately the Year 13 students were largely able to complete the traditional activities that help them to grow their critical capabilities before transitioning out of school in 2022. Supporting our students to build resilience remains a priority for both our teaching and support staff right across our Pomahāka Kāhui Ako.

Goal 3

Kapa Haka has gone from strength to strength in 2022. For the first half of the year, we employed Matua Hemi who was both a parent and a source of tikanga expertise and the Kāhui Ako sought a LAT for Whaea Ashlee who has qualifications in te reo and has children at two of our schools. The major driving force came through Whaea Jaki who again is a parent at two of our Kāhui Ako schools and works for Central Otago REAP in the tikanga and te reo spaces. She also sits on our Board. We have introduced Tikanga Time for our whole school which is coordinated by staff member Matua Sam who is an avid proponent of all things Maori. We have been able to recognise the considerable extra work he has put into our growth in the cultural space, with a salary unit.

Kapa Haka runs at school as an option at Hauora Time and we have also established Kapa Haka Hāpori which as the name implies, is open to the wider community. This runs on Sunday evenings. There is some crossover between the two groups with the aforementioned leaders and myself as Principal involved in both as well as our very keenest students. Performance and other opportunities have been embraced throughout 2022, including our own Kāhui Ako Matariki celebration involving students from pre-school to Year 13, our group being invited to perform at the public Matariki Festival out of Gore, entering groups for Polyfest in Invercargill, Prizegiving and being invited to open and perform at the Community Youth Awards.

Other areas of strength in local curriculum have been particularly evident in the Primary Industries space in 2022 where apart from Agriculture field trip opportunities there has been positive integrated learning crossover with Science, Food Technology, Economics and Hard Materials Technologies in particular. It was an absolute bonus having a local builder come in and work with senior students in the latter, in the first half of the year. The Arts made excellent use of expertise from the wider community, and as always, we had very strong parental involvement in camps and exchanges.



Blue Mountain College

Kiwisport Funding 2022

Kiwi sport is a Government funding initiative to support student participation in organised sport. During 2022, Blue Mountain College received \$4693.54 + GST to assist in the funding of our Sport Coordinator Phillippa Reihana who is employed for 15 hours per week throughout the School year.

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. Phillippa 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.

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.

Signed 
Principal

Date 4/4/2023

Signed 
Board Chair

Date 4/4/2023.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BLUE MOUNTAIN COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Opinion

We have audited the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 2022, 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 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 15 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities, 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 use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on page 2 and on pages 19 to 24, 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.



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