



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	290
Principal:	Hugh Gully
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COLLINGWOOD AREA SCHOOL

Annual Report - For the year ended 31 December 2019

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Collingwood Area School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Vincent Andrew
Full Name of Board Chairperson


Signature of Board Chairperson

25 May 2020
Date:

Hugh Cully
Full Name of Principal


Signature of Principal

25 May 2020
Date:

Collingwood Area School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How Position Gained	Held Until
Vincet Andrew	Chairperson	Elected	Jun 2022
Hugh Gully	Principal	ex Officio	
Joyce Wyllie	Vice Chairperson	Elected	Jun 2022
Brendan Richards	Parent Rep	Elected	Jun 2022
Renee Riley	Parent Rep	Elected	Nov 2020
Elizabeth McPherson	Parent Rep	Co-opted	Nov 2020
Leigh Strange	Parent Rep	Elected	Mar 2019
Bob Norrish	Acting Principal		Apr 2019
Celia Thompson	Staff Rep	Elected	Jun 2019
Mike van Lammeren	Staff Rep	Elected	Jun 2022
Luca Olney	Student Rep	Elected	Sep 2019
Sarah-Renee Van Kleef	Parent Rep	Elected	Sep 2020
In Attendance			
Irene Pomeroy	Minute Secretary		

Collingwood Area School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,898,475	1,821,632	2,009,289
Locally Raised Funds	3	162,826	111,537	141,402
Interest Income		6,821	1,000	6,703
International Students	4	17,768	-	-
Other Revenue		865	-	-
		<u>2,086,755</u>	<u>1,934,169</u>	<u>2,157,394</u>
Expenses				
Locally Raised Funds	3	61,688	51,447	48,747
International Students	4	2,694	8,750	-
Learning Resources	5	1,487,048	1,308,808	1,381,365
Administration	6	136,301	168,538	129,565
Finance Costs		2,768	-	1,891
Property	7	138,753	481,904	506,287
Depreciation	8	92,974	80,000	88,138
Loss on Disposal of Property, Plant and Equipment		(1,873)	-	572
		<u>1,920,353</u>	<u>2,099,447</u>	<u>2,156,565</u>
Net Surplus / (Deficit)		166,402	(165,278)	829
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>166,402</u>	<u>(165,278)</u>	<u>829</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.

Collingwood Area School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	1,254,019	1,254,019	1,246,908
Total comprehensive revenue and expense for the year	166,402	(165,278)	829
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	6,282
Equity at 31 December	1,420,421	1,088,741	1,254,019
Retained Earnings	1,420,421	1,088,741	1,254,019
Equity at 31 December	1,420,421	1,088,741	1,254,019

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.

Collingwood Area School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	250,125	224,403	309,681
Accounts Receivable	10	139,036	75,335	75,335
Prepayments		5,688	1,491	1,491
Inventories	11	1,127	1,127	1,127
Investments	12	194,681	188,280	188,280
Funds owing for Capital Works Projects	19	-	1,101	1,101
		<u>590,657</u>	<u>491,737</u>	<u>577,015</u>
Current Liabilities				
GST Payable		6,269	1,514	1,514
Accounts Payable	14	135,003	115,437	115,437
Revenue Received in Advance	15	28,037	14,719	14,719
Provision for Cyclical Maintenance	16	11,777	127,308	127,308
Finance Lease Liability - Current Portion	17	12,407	10,263	10,263
Funds held in Trust	18	2,760	1,140	1,140
Funds held for Capital Works Projects	19	46,625	79,661	79,661
		<u>242,878</u>	<u>350,042</u>	<u>350,042</u>
Working Capital Surplus/(Deficit)		347,779	141,695	226,973
Non-current Assets				
Property, Plant and Equipment	13	1,148,723	994,071	1,074,071
		<u>1,148,723</u>	<u>994,071</u>	<u>1,074,071</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	53,728	42,659	42,659
Finance Lease Liability	17	22,353	4,366	4,366
		<u>76,081</u>	<u>47,025</u>	<u>47,025</u>
Net Assets		<u><u>1,420,421</u></u>	<u><u>1,088,741</u></u>	<u><u>1,254,019</u></u>
Equity		<u><u>1,420,421</u></u>	<u><u>1,088,741</u></u>	<u><u>1,254,019</u></u>

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

Collingwood Area School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		465,121	470,323	586,365
Locally Raised Funds		139,963	111,537	131,314
International Students		31,185	-	14,163
Goods and Services Tax (net)		4,755	-	(6,620)
Payments to Employees		(245,075)	(293,623)	(261,753)
Payments to Suppliers		(277,023)	(308,571)	(279,603)
Interest Received		6,624	1,000	3,749
Net cash from / (to) the Operating Activities		125,550	(19,334)	187,615
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(133,991)	(65,944)	(33,079)
Purchase of Investments		(6,401)	-	(3,433)
Net cash from the Investing Activities		(140,392)	(65,944)	(36,512)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	6,282
Finance Lease Payments		(14,399)	-	(13,596)
Funds Administered on Behalf of Third Parties		1,620	-	(11)
Funds held for Capital Works Projects		(31,935)	-	43,662
Net cash from Financing Activities		(44,714)	-	36,337
Net increase/(decrease) in cash and cash equivalents		(59,556)	(85,278)	187,440
Cash and cash equivalents at the beginning of the year	9	309,681	309,681	122,241
Cash and cash equivalents at the end of the year	9	250,125	224,403	309,681

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

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

Collingwood Area School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2019

1.1. Reporting Entity

Collingwood Area School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 28.

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 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. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

1.9. 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.

1.10. 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.

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

1.11. 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.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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:

Buildings & Improvements	10-40 years
Furniture and equipment	5-20 years
Information and communication technology	4-5 years
Motor vehicles	8 years
Leased assets	3 years
Library resources	12.5% Diminishing value

1.12. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

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

1.13. 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.

1.14. 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, annual leave earned 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

1.15. 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.

1.16. 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.

1.17. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts 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.

1.18. 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).

1.19. Financial Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" 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.

1.20. 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.

1.21. Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

1.22. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	438,534	432,224	444,798
Teachers' salaries grants	1,302,579	1,085,489	1,204,306
Use of Land and Buildings grants	108,554	265,820	284,390
Other MoE Grants	48,808	38,099	75,795
	<u>1,898,475</u>	<u>1,821,632</u>	<u>2,009,289</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	27,793	9,000	24,630
Fundraising	1,110	1,000	1,248
Other revenue	64,502	60,437	60,481
Trading	7,223	6,150	8,535
Activities	62,198	34,950	46,508
	<u>162,826</u>	<u>111,537</u>	<u>141,402</u>
Expenses			
Activities	60,580	50,447	47,724
Fundraising (costs of raising funds)	1,108	1,000	1,023
	<u>61,688</u>	<u>51,447</u>	<u>48,747</u>
<i>Surplus for the year Locally raised funds</i>	<u>101,138</u>	<u>60,090</u>	<u>92,655</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	4	0	0
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International student fees	17,768	-	-
Expenses			
International student levy	737	1,500	-
Employee Benefit - Salaries	-	4,000	-
Other Expenses	1,957	3,250	-
	<u>2,694</u>	<u>8,750</u>	<u>-</u>
<i>Surplus (Deficit) for the year International Students</i>	<u>15,074</u>	<u>(8,750)</u>	<u>-</u>

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	62,268	74,036	56,588
Equipment repairs	629	-	4,969
Information and communication technology	4,593	5,000	1,484
Library resources	2,512	2,160	2,539
Employee benefits - salaries	1,402,449	1,211,112	1,303,711
Staff development	14,597	16,500	12,074
	<u>1,487,048</u>	<u>1,308,808</u>	<u>1,381,365</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,525	4,700	4,393
Board of Trustees Fees	3,315	4,500	3,075
Board of Trustees Expenses	2,463	8,038	1,883
Communication	3,010	4,900	4,210
Consumables	4,074	7,000	3,535
Operating Lease	3,919	17,000	4,514
Legal Fees	-	1,000	2,376
Other	20,996	22,900	12,522
Employee Benefits - Salaries	87,008	89,000	83,334
Insurance	3,771	3,000	3,796
Service Providers, Contractors and Consultancy	3,220	6,500	5,927
	<u>136,301</u>	<u>168,538</u>	<u>129,565</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,377	4,800	3,050
Consultancy and Contract Services	1,500	1,500	1,500
Cyclical Maintenance Provision	18,569	8,500	20,910
Adjustment to the Provision	(123,031)	-	-
Grounds	13,922	11,400	8,634
Heat, Light and Water	21,320	17,953	25,343
Rates	6,339	9,700	9,429
Repairs and Maintenance	29,141	87,231	73,693
Use of Land and Buildings	108,554	265,820	284,390
Employee Benefits - Salaries	59,062	75,000	79,338
	<u>138,753</u>	<u>481,904</u>	<u>506,287</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	13,650	10,000	15,415
Building Improvements	43,390	40,000	40,450
Furniture and Equipment	11,768	10,000	8,938
Information and Communication Technology	9,930	8,000	9,001
Motor Vehicles	1,613	2,000	1,629
Leased Assets	10,662	8,000	10,713
Library Resources	1,961	2,000	1,992
	<u>92,974</u>	<u>80,000</u>	<u>88,138</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	23,466	224,403	11,022
Bank Call Account	226,659	-	298,659
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>250,125</u>	<u>224,403</u>	<u>309,681</u>

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

Of the \$250,125 Cash and Cash Equivalents, \$46,625 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	24,269	640	640
Interest Receivable	6,005	5,808	5,808
Teacher Salaries Grant Receivable	86,541	68,887	68,887
	<u>139,036</u>	<u>75,335</u>	<u>75,335</u>
Receivables from Exchange Transactions	30,274	6,448	6,448
Receivables from Non-Exchange Transactions	108,762	68,887	68,887
	<u>139,036</u>	<u>75,335</u>	<u>75,335</u>

11. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	1,127	1,127	1,127
	<u>1,127</u>	<u>1,127</u>	<u>1,127</u>

12. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	194,681	188,280	188,280
Total Investments	<u>194,681</u>	<u>188,280</u>	<u>188,280</u>

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	354,040	-	-	-	-	354,040
Buildings	426,077	18,017	-	-	(13,650)	430,444
Building Improvements	165,949	69,432	-	-	(43,390)	191,991
Furniture and Equipment	72,270	16,948	-	-	(11,768)	77,450
Information and Communication	23,668	5,067	-	-	(9,930)	18,805
Motor Vehicles	3,624	28,286	(3,625)	-	(1,613)	26,672
Leased Assets	14,494	38,357	(6,595)	-	(10,662)	35,594
Library Resources	13,949	2,764	(1,025)	-	(1,961)	13,727
Balance at 31 December 2019	1,074,071	178,871	(11,245)	-	(92,974)	1,148,723

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	354,040	-	354,040
Buildings	585,976	(155,532)	430,444
Building Improvements	598,879	(406,888)	191,991
Furniture and Equipment	312,512	(235,062)	77,450
Information and Communication	191,327	(172,522)	18,805
Motor Vehicles	28,286	(1,614)	26,672
Leased Assets	45,303	(9,709)	35,594
Library Resources	28,972	(15,245)	13,727
Balance at 31 December 2019	2,145,295	(996,572)	1,148,723

The net carrying value of equipment held under a finance lease is \$35,594 (2018: \$14,494)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	354,040	-	-	-	-	354,040
Buildings	441,492	-	-	-	(15,415)	426,077
Building Improvements	206,399	-	-	-	(40,450)	165,949
Furniture and Equipment	64,472	18,702	(1,967)	-	(8,937)	72,270
Information and Communication	20,104	12,565	-	-	(9,001)	23,668
Motor Vehicles	5,253	-	-	-	(1,629)	3,624
Leased Assets	18,261	6,946	-	-	(10,713)	14,494
Library Resources	12,735	3,461	(255)	-	(1,992)	13,949
Balance at 31 December 2018	1,122,756	41,674	(2,222)	-	(88,137)	1,074,071

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	354,040	-	354,040
Buildings	618,223	(192,146)	426,077
Building Improvements	479,182	(313,233)	165,949
Furniture and Equipment	295,565	(223,295)	72,270
Information and Communication	186,261	(162,593)	23,668
Motor Vehicles	37,915	(34,291)	3,624
Leased Assets	42,432	(27,938)	14,494
Library Resources	28,286	(14,337)	13,949
Balance at 31 December 2018	2,041,904	(967,833)	1,074,071

14. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating creditors	20,777	19,881	19,881
Accruals	3,249	3,098	3,098
Employee Entitlements - salaries	88,594	69,456	69,456
Employee Entitlements - leave accrual	22,383	23,002	23,002
	<u>135,003</u>	<u>115,437</u>	<u>115,437</u>
Payables for Exchange Transactions	<u>135,003</u>	<u>115,437</u>	<u>115,437</u>
	<u>135,003</u>	<u>115,437</u>	<u>115,437</u>

The carrying value of payables approximates their fair value.

15. Revenue Received In Advance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	27,580	14,163	14,163
Other	457	556	556
	<u>28,037</u>	<u>14,719</u>	<u>14,719</u>

16. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	169,967	169,967	149,057
Increase/ (decrease) to the Provision During the Year	18,569	-	20,910
Provision at the End of the Year	<u>65,505</u>	<u>169,967</u>	<u>169,967</u>
Cyclical Maintenance - Current	11,777	127,308	127,308
Cyclical Maintenance - Term	53,728	42,659	42,659
	<u>65,505</u>	<u>169,967</u>	<u>169,967</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:

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	14,799	11,182	11,182
Later than One Year and no Later than Five Years	24,241	4,607	4,607
	<u>39,040</u>	<u>15,789</u>	<u>15,789</u>

18. Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	2,760	1,140	1,140
	<u>2,760</u>	<u>1,140</u>	<u>1,140</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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Classroom Alterations	Completed	45,477	18,081	63,558	-	-
Drains	Completed	(1,101)	2,000	899	-	-
Toilet Installation Block K	Completed	4,799	-	4,799	-	-
Asbestos Removal Boiler House	Completed	21,649	-	21,649	-	-
Electrical Work	Completed	7,736	78	7,814	-	-
Louvres & Glazing	In Progress	-	48,178	1,553	-	46,625
Totals		<u>78,560</u>	<u>68,337</u>	<u>100,272</u>	<u>-</u>	<u>46,625</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	<u>46,625</u>
	<u>46,625</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
MOE Boiler	Completed	(22,415)	-	-	22,415	-
Demolition of Block E	Completed	1,638	5,097	6,735	-	-
Classroom Alterations	In Progress	(733)	90,070	43,860	-	45,477
Drains	In Progress	7,083	787	8,971	-	(1,101)
Toilet Installation Block K	In Progress	49,325	-	44,526	-	4,799
Asbestos Removal Boiler House	In Progress	-	40,836	19,187	-	21,649
Electrical Work	In Progress	-	7,736	-	-	7,736
Replacement Boiler	Completed	-	96,986	96,986	-	-
Totals		<u>34,898</u>	<u>241,512</u>	<u>220,265</u>	<u>22,415</u>	<u>78,560</u>

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,315	3,075
Full-time equivalent members	1.72	1.14
<i>Leadership Team</i>		
Remuneration	324,840	310,192
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	328,155	313,267
Total full-time equivalent personnel	4.72	4.14

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal	100 - 110	100 - 110
Salary and Other Payments - Acting Principal	30 - 40	20 - 30
Benefits and Other Emoluments	1 - 10	0 - 0
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	2019 FTE Number	2018 FTE Number
100 - 110	-	-
	-	-

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:

	2019 Actual \$	2018 Actual \$
Total	-	-
Number of People	-	-

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	250,125	224,403	309,681
Receivables	139,036	75,335	75,335
Investments - Term Deposits	194,681	188,280	188,280
Total Financial assets measured at amortised cost	583,842	488,018	573,296

Financial liabilities measured at amortised cost

Payables	135,003	115,437	115,437
Finance Leases	34,760	14,629	14,629
Total Financial liabilities measured at amortised Cost	169,763	130,066	130,066

27. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed until 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

28. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.



Kiwisport is a Government funding initiative to support students' participation in organized sport. In 2019, the school received total Kiwisport funding of \$2,549.14 (excluding GST).

The funding was spent on sports equipment and balls for all ages throughout the school and training / coaching for the Area School's TOSI Tournament and the Netball teams.

The number of students that participated in organized sport was thirty three.

Analysis of Variance Reporting



School Name:	Collingwood Area School	School Number:	290
Strategic Aim:	Strategic Aim 1, Achievement: Ensure at least 85% of all students leave school with a minimum of NCEA L2 or equivalent		
Annual Aim:	1.1 Accelerate the progress & achievement of students who are achieving below NZC expected levels, in Year 1–8 Literacy 1.2 Accelerate the progress & achievement of Year 9 & 10 students who are unlikely to be working at Level 5 of the curriculum, by the end of year 10 1.3 Students at risk of not achieving NCEA Level 2 or equivalent will achieve this qualification by the time they leave school		
Target:	1.1 All students in Years 1 - 8 below or well below the expected standard at the beginning of the year will make more than one year's progress and will be reading and writing at or above the expected standard at the end of the year. 1.2 All students working below NZC level for Year 9 and 10 will make accelerated progress towards Level 5 by the end of Year 10 1.3 Students at NCEA L1 who are identified 'at risk' of not achieving, will gain NCEA <i>Level 1</i> in 2019. Students at NCEA L2 who are identified 'at risk' of not achieving, will gain NCEA <i>Level 2</i> in 2019.		
Baseline Data:			

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>1.1 Accelerate the progress & achievement of students who are achieving below NZC expected levels, in Year 1–8 Literacy</p> <ul style="list-style-type: none"> - Baseline data collated - formative assessment informed next steps and tracking throughout year - Developed Growth Mindset - 1:1 target teaching with targetted students - Modelling and scaffolding - Close whanau voice including 3 way conferences - Set learning goals - Students referred to RTLB and/or Reading Recovery - Teacher: Student relationships - IEPs - Peered teaching with buddy students 	<p>Reading:</p> <ul style="list-style-type: none"> - 84% at or above <p>Writing:</p> <ul style="list-style-type: none"> - 68% at or above 	<ul style="list-style-type: none"> - Students felt safe to take risks and built on confidence and success - Personalised learning based on formative assessment - Targetted students focus of Syndicate meetings - IEPs for some students with clear goal setting - Peer tutoring where relevant - Improved teacher capability and pedagogy (working walls, feedback, feed forward) - Unsettled Time table: Some classes have 3 teachers in one day and different Teacher for learning areas which limits fluidity 	<ul style="list-style-type: none"> - Timetable needs to be re written to ensure consistency and continuity of teacher. - CRT to be used on 2 full days, not hourly which disrupts learning - PLD in Reading and Writing to uplift Teachers capabilities - Greater use of formative assessemnt to plan next steps - Assessment for Learning procedures to ensure accurate and relevant data is recorded and next steps planned - Continue to embedd practice of a focus on tracking targetted students at meetings - Continue to strenghten home-school partnership - Contine to strenghten collaboration between teachers

1.2 All students working below NZC level for Year 9 and 10 will make accelerated progress towards Level 5 by the end of Year 10

Literacy

Baseline data shows all year 9 students are at the expected level in Reading/ Comprehension and writing. Only one Year 10 student was below the expected level.

Outcome - All students at Year 9 and 10 showed improvement from term 1 to 4.

Numeracy

Action - Two students at year 9 and 1 at year 10 were below the expected levels in term one. By term 4 when tested again there was only 1 year 9 and still 1 year 10 below expected levels.

Outcome - Significant improvement at Year 9 and 10 were made by all students throughout the year. Many students moved one or two stanines in PAT tests.

Building confidence and success

Individualised programs

Personalised learning based on testing of students, skills needed etc

Development of learning strategies

Scaffolding and working walls

Good relationships with peers and staff

Well planned and interesting programs which students can relate to.

Evaluation - Staff to continue to monitor at risk students and continue running and creating relevant courses for each student based on their interest and career paths

1.3 Students at NCEA L1 who are identified 'at risk' of not achieving, will gain NCEA Level 1 in 2019. Students at NCEA L2 who are identified 'at risk' of not achieving, will gain NCEA Level 2 in 2019.

Level 1 - There were only 3 students working towards Level 1 (2 students arrived in term 3).

Level 2 - Seven Students were working at this level. Only one student was identified of concern. She was given all the help and guidance needed but her outside school environment produced barriers to her achieving.

Outcome - One student gained Merit, one Achieved and one student didn't have the opportunity (not enough credits offered to achieve).

The level two student will not be leaving school until she completes Level two (20 credits) in 2020

Building confidence and success

Individualised programs based on their career path and interest

Personalised learning

Development of learning strategies

Scaffolding and working walls

Good relationships with peers and staff

Well planned and interesting programs which students can relate to.

Relevant courses and standards

Planning for next year:

Assessment for Learning strategies in 2020 to develop:

- More purpose and intent with assessment with clearly defined and explicit guidelines for Teachers
- Analysis of Baseline data to inform learning and identify target groups
- Increased use of varied assessment tools to ensure greater validity of data
- Effective tracking systems to show accelerated learning for all students

Appendix 1

Reading At/Above		
	2019 Final	
	#	%
All	90	84
Māori	8	57
Pākehā	75	84
Asian	3	75
Other	4	100
Boys	41	77
Girls	49	91

Writing At/Above		
	2019 Final	
	#	%
All	73	68
Māori	8	57
Pākehā	59	66
Asian	2	50
Other	4	100
Boys	32	60
Girls	41	76

Maths At/Above		
	2019 Final	
	#	%
All	83	78
Māori	12	86
Pākehā	64	72
Asian	3	75
Other	4	100
Boys	44	83
Girls	38	70

**INDEPENDENT AUDIT REPORT TO THE READERS OF
COLLINGWOOD AREA SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Collingwood Area School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, 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 21 that comprise the statement of financial position as at 31 December 2019, 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:
 - financial position as at 31 December 2019; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 25 May 2020. 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 of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 27 on page 21 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of 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

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Trustees' responsibilities arise from the Education 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of Trustees listing, 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.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand