

TAURANGA BOYS COLLEGE

Annual Report - For the year ended 31 December 2020

Index

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

	Financial Statements
--	-----------------------------

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

<u>6 - 23</u>	Notes to the Financial Statements
---------------	-----------------------------------

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

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

Tauranga Boys College

Statement of Responsibility

For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

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

Richard Craven

Full Name of Board Chairperson



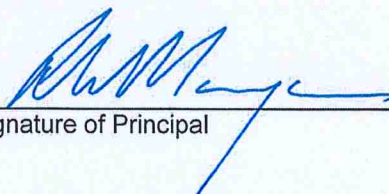
Signature of Board Chairperson

24 May 2021

Date:

Robert Mangan

Full Name of Principal



Signature of Principal

24 May 2021

Date:

Tauranga Boys College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	19,358,535	17,834,400	17,929,438
Locally Raised Funds	3	1,583,012	834,150	2,635,401
Interest income		62,740	70,000	80,055
Gain on Sale of Property, Plant and Equipment		11,534	-	6,591
International Students	4	673,095	964,500	899,232
Other Revenue		14,541	-	-
		<u>21,703,457</u>	<u>19,703,050</u>	<u>21,550,717</u>
Expenses				
Locally Raised Funds	3	752,133	104,200	1,611,234
International Students	4	479,177	588,200	536,146
Learning Resources	5	13,855,213	13,069,700	13,388,040
Administration	6	1,682,904	1,673,500	1,703,916
Finance		6,536	30,000	18,371
Property	7	3,768,037	3,357,300	3,252,844
Depreciation	8	844,469	835,000	837,671
Amortisation of Intangible Assets	14	-	-	-
Transport		20,382	31,000	18,419
		<u>21,408,851</u>	<u>19,688,900</u>	<u>21,366,641</u>
Net Surplus / (Deficit) for the year		294,606	14,150	184,076
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>294,606</u>	<u>14,150</u>	<u>184,076</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.



Tauranga Boys College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>4,943,219</u>	<u>4,326,661</u>	<u>4,691,081</u>
Total comprehensive revenue and expense for the year		294,606	14,150	184,076
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	68,062
Equity at 31 December	27	<u>5,237,825</u>	<u>4,340,811</u>	<u>4,943,219</u>
Retained Earnings		5,237,825	4,340,811	4,943,219
Equity at 31 December		<u>5,237,825</u>	<u>4,340,811</u>	<u>4,943,219</u>

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.



Tauranga Boys College

Statement of Financial Position

As at 31 December 2020

		2020	2020 Budget (Unaudited)	2019
	Notes	Actual \$	\$	Actual \$
Current Assets				
Cash and Cash Equivalents	9	1,031,384	1,060,811	1,273,451
Accounts Receivable	10	1,244,675	400,000	942,490
GST Receivable		15,351	30,000	40,947
Prepayments		224,242	50,000	361,000
Inventories	11	166,425	120,000	160,272
Investments	12	2,365,000	1,700,000	1,770,000
		5,047,077	3,360,811	4,548,160
Current Liabilities				
Accounts Payable	15	1,657,110	1,200,000	1,245,538
Revenue Received in Advance	16	684,747	650,000	1,086,925
Provision for Cyclical Maintenance	17	134,063	90,000	91,263
Finance Lease Liability - Current Portion	19	99,785	250,000	260,326
Funds held in Trust	20	309,704	550,000	430,319
Funds held for Capital Works Projects	21	129,714	-	-
Funds held on behalf of Kahui Ako Cluster	22	70,470	30,000	54,908
		3,085,593	2,770,000	3,169,279
Working Capital Surplus/(Deficit)		1,961,484	590,811	1,378,881
Non-current Assets				
Property, Plant and Equipment	13	4,028,069	4,500,000	4,273,582
Intangible Assets	14	-	-	-
		4,028,069	4,500,000	4,273,582
Non-current Liabilities				
Provision for Cyclical Maintenance	17	724,731	650,000	630,424
Finance Lease Liability	19	26,997	100,000	78,820
		751,728	750,000	709,244
Net Assets		5,237,825	4,340,811	4,943,219
Equity	27	5,237,825	4,340,811	4,943,219

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



Tauranga Boys College

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash flows from Operating Activities				
Government Grants		5,169,486	8,541,061	4,630,387
Locally Raised Funds		1,338,066	436,150	2,749,830
International Students		415,262	1,614,500	976,709
Goods and Services Tax (net)		25,596	(30,000)	(21,906)
Funds Administered on Behalf of Third Parties		(105,053)	580,000	121,646
Payments to Employees		(2,462,107)	(2,437,659)	(2,143,772)
Payments to Suppliers		(3,419,950)	(2,224,500)	(5,132,378)
Cyclical Maintenance Payments in the year		-	567,000	(34,838)
Interest Paid		(6,536)	(30,000)	(18,371)
Interest Received		68,240	70,000	75,055
Net cash from/(to) Operating Activities		1,023,004	7,086,552	1,202,362
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		11,534	(31,000)	6,592
Purchase of Property Plant & Equipment (and Intangibles)		(542,157)	(5,022,000)	(316,637)
Purchase of Investments		(595,000)	(1,562,456)	(740,000)
Proceeds from Sale of Investments		-	60,000	-
Net cash from/(to) Investing Activities		(1,125,623)	(6,555,456)	(1,050,045)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	68,062
Finance Lease Payments		(269,162)	331,000	(248,937)
Painting contract payments		-	(61,000)	(39,536)
Funds Held for Capital Works Projects		129,714	-	-
Net cash from/(to) Financing Activities		(139,448)	270,000	(220,411)
Net increase/(decrease) in cash and cash equivalents		(242,067)	801,096	(68,094)
Cash and cash equivalents at the beginning of the year	9	1,273,451	259,715	1,341,545
Cash and cash equivalents at the end of the year	9	1,031,384	1,060,811	1,273,451

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.



Tauranga Boys College

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Tauranga Boys College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.



Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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



i) Inventories

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

k) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.



m) 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.

n) 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.

o) Employee Entitlements

Short-term employee entitlements

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international 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.

q) 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.

r) 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 the School's control. These amounts 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.

s) 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).

t) Financial Instruments

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

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



u) 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.

v) Budget Figures

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

w) Services received in-kind

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



2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	3,925,674	3,838,400	3,359,336
Teachers' Salaries Grants	11,565,534	11,000,000	11,009,173
Use of Land and Buildings Grants	2,620,008	2,200,000	2,289,878
Resource Teachers Learning and Behaviour Grants	29,722	27,000	31,790
Other MoE Grants	1,031,419	613,000	1,051,473
Other Government Grants	186,178	156,000	187,788
	<u>19,358,535</u>	<u>17,834,400</u>	<u>17,929,438</u>

The school has not opted in to the donations scheme for this year.

Other MOE Grants total includes additional COVID-19 funding totalling \$246,591 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	486,781	378,400	426,429
Bequests & Grants	35,893	-	55,829
Activities	520,161	128,450	1,046,019
Overseas Travel	-	-	613,093
Trading	264,319	64,300	211,433
Fundraising	583	43,000	45,632
Other Revenue	275,275	220,000	236,966
	<u>1,583,012</u>	<u>834,150</u>	<u>2,635,401</u>
Expenses			
Activities	522,906	73,200	826,227
Overseas Travel	-	-	608,377
Trading	229,227	31,000	176,630
	<u>752,133</u>	<u>104,200</u>	<u>1,611,234</u>
Surplus/ (Deficit) for the year Locally raised funds	<u>830,879</u>	<u>729,950</u>	<u>1,024,167</u>



4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	45	60	53
	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
International Student Fees	673,095	964,500	899,232
Expenses			
Advertising	62,220	150,500	169,370
Commissions	72,742	108,700	103,013
International Student Levy	16,776	15,000	19,627
Employee Benefit - Salaries	289,393	269,000	199,195
Other Expenses	38,046	45,000	44,941
	479,177	588,200	536,146
<i>Surplus/ (Deficit) for the year International Students</i>	193,918	376,300	363,086

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	1,528,124	1,508,600	1,730,873
Information and Communication Technology	56,595	65,000	36,825
Library Resources	14,689	11,500	8,408
Employee Benefits - Salaries	12,244,038	11,449,600	11,586,648
Staff Development	11,767	35,000	25,286
	13,855,213	13,069,700	13,388,040

6. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	10,514	10,000	9,993
Board of Trustees Fees	4,459	5,000	4,685
Board of Trustees Expenses	5,691	8,000	45,469
Communication	17,308	34,000	33,949
Consumables	11,353	37,500	21,599
Operating Lease	27,524	30,000	29,790
Legal Fees	2,609	5,000	420
Postage	4,633	5,000	4,348
Other	40,018	61,500	2,708
Employee Benefits - Salaries	1,275,394	1,276,500	1,127,341
Insurance	45,779	28,000	44,875
Service Providers, Contractors and Consultancy	237,622	173,000	378,739
	1,682,904	1,673,500	1,703,916



7. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	47,477	48,000	47,078
Consultancy and Contract Services	259,487	260,000	10,000
Cyclical Maintenance Provision	137,107	70,000	120,317
Grounds	75,086	78,000	80,208
Heat, Light and Water	207,507	234,000	230,644
Rates	27,607	23,500	23,006
Repairs and Maintenance	125,301	159,500	195,756
Use of Land and Buildings	2,620,008	2,200,000	2,289,878
Security	18,386	20,000	20,544
Employee Benefits - Salaries	250,071	264,300	235,413
	<u>3,768,037</u>	<u>3,357,300</u>	<u>3,252,844</u>

8. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	101,157	100,000	100,844
Furniture and Equipment	260,907	300,000	263,923
Information and Communication Technology	154,910	200,000	154,375
Motor Vehicles	28,754	30,000	37,543
Textbooks	21,595	20,000	18,635
Leased Assets	264,672	175,000	250,519
Library Resources	12,474	10,000	11,832
	<u>844,469</u>	<u>835,000</u>	<u>837,671</u>

9. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	-	-	-
Bank Current Account	495,280	1,060,811	272,717
Bank Call Account	268,965	-	477,720
Short-term Bank Deposits	267,139	-	523,014
Bank Overdraft	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>1,031,384</u>	<u>1,060,811</u>	<u>1,273,451</u>

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

Of the \$1,031,384 Cash and Cash Equivalents, \$57,670 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$1,031,384 Cash and Cash Equivalents, \$41,500 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$1,031,384 Cash and Cash Equivalents, \$70,470 is held by the School on behalf of the Kahui Ako cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.



10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	176,997	400,000	127,995
Receivables from the Ministry of Education	69,648	-	-
Interest Receivable	27,500	-	33,000
Teacher Salaries Grant Receivable	970,530	-	781,495
	<u>1,244,675</u>	<u>400,000</u>	<u>942,490</u>
Receivables from Exchange Transactions	204,497	400,000	160,995
Receivables from Non-Exchange Transactions	1,040,178	-	781,495
	<u>1,244,675</u>	<u>400,000</u>	<u>942,490</u>

11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	14,288	-	16,554
School Uniforms	152,137	120,000	143,718
	<u>166,425</u>	<u>120,000</u>	<u>160,272</u>

12. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	2,365,000	1,700,000	1,770,000
Total Investments	<u>2,365,000</u>	<u>1,700,000</u>	<u>1,770,000</u>



13. Property, Plant and Equipment

2020	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	2,824,362	30,514			(101,157)	2,753,719
Furniture and Equipment	709,570	298,061	(2,794)		(260,907)	743,930
Information and Communication Technology	240,917	168,595	(2,325)		(154,910)	252,277
Motor Vehicles	68,262	12,528			(28,754)	52,036
Textbooks	22,767	20,604			(21,595)	21,776
Leased Assets	324,881	56,799			(264,672)	117,008
Library Resources	82,826	21,834	(4,863)		(12,474)	87,323
Balance at 31 December 2020	4,273,585	608,935	(9,982)	-	(844,469)	4,028,069

The net carrying value of equipment held under a finance lease is \$344,949 (2019: \$324,881)

2020	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	4,412,322	(1,658,603)	2,753,719
Furniture and Equipment	5,068,515	(4,324,585)	743,930
Information and Communication Technology	972,810	(720,533)	252,277
Motor Vehicles	302,759	(250,723)	52,036
Textbooks	64,783	(43,007)	21,776
Leased Assets	1,104,849	(987,841)	117,008
Library Resources	188,678	(101,355)	87,323
Balance at 31 December 2020	12,114,716	(8,086,647)	4,028,069



13. Property, Plant and Equipment cont.

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	2,925,218				(100,844)	2,824,374
Furniture and Equipment	745,486	228,070	(80)		(263,923)	709,553
Information and Communication Technology	348,995	49,846	(3,549)		(154,375)	240,917
Motor Vehicles	81,685	24,120			(37,543)	68,262
Textbooks	41,403				(18,635)	22,768
Leased Assets	534,509	40,891			(250,519)	324,881
Library Resources	76,430	19,633	(1,404)		(11,832)	82,827
Balance at 31 December 2019	4,753,726	362,560	(5,033)	-	(837,671)	4,273,582

The net carrying value of equipment held under a finance lease is \$324,881 (2018: \$534,509)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	4,382,174	(1,557,800)	2,824,374
Furniture and Equipment	5,106,859	(4,397,306)	709,553
Information and Communication Technology	1,263,930	(1,023,013)	240,917
Motor Vehicles	375,038	(306,776)	68,262
Textbooks	55,905	(33,137)	22,768
Leased Assets	1,048,050	(723,169)	324,881
Library Resources	177,251	(94,424)	82,827
Balance at 31 December 2019	12,409,207	(8,135,625)	4,273,582



14. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2019	95,350	-	95,350
Balance at 31 December 2019 / 1 January 2020	95,350	-	95,350
Disposals	(20,730)	-	(20,730)
Balance at 31 December 2020	74,620	-	74,619
Accumulated Amortisation and impairment losses			
Balance at 1 January 2019	95,350	-	95,350
Disposals	(20,730)	-	(20,730)
Balance at 31 December 2019 / 1 January 2020	74,620	-	95,350
Balance at 31 December 2020	74,620	-	74,619

Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2019: \$nil)

15. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	455,408	400,000	282,528
Accruals	190,068	100,000	171,666
Capital Accruals for PPE items	-	-	-
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	978,934	700,000	781,495
Employee Entitlements - Leave Accrual	32,700	-	9,849
	<u>1,657,110</u>	<u>1,200,000</u>	<u>1,245,538</u>
Payables for Exchange Transactions	1,642,406	1,200,000	1,202,511
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	14,704	-	43,027
	<u>1,657,110</u>	<u>1,200,000</u>	<u>1,245,538</u>

The carrying value of payables approximates their fair value.



16. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance - Ministry of Education	66,140	-	-
International Student Fees	357,283	650,000	615,116
Other	261,324	-	471,809
	<u>684,747</u>	<u>650,000</u>	<u>1,086,925</u>

17. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	721,687	721,687	636,208
Increase/ (decrease) to the Provision During the Year	137,107	70,000	85,479
Provision at the End of the Year	<u>858,794</u>	<u>791,687</u>	<u>721,687</u>
Cyclical Maintenance - Current	134,063	90,000	91,263
Cyclical Maintenance - Term	724,731	650,000	630,424
	<u>858,794</u>	<u>740,000</u>	<u>721,687</u>

18. Painting Contract Liability

In 2012 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2013, with regular maintenance in subsequent years. The agreement has an annual commitment of \$67,353. The contract ended in 2019 and it has not been renewed. An external review of the condition of the school revealed that it did not need repainting in 2020 and a 2 year Exterior Safeguard Programme was put in place at a cost of \$29,863 per year. In 2022 the school expects to commit to a new 7 year agreement.

19. Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	110,855	250,000	270,491
Later than One Year and no Later than Five Years	21,853	100,000	81,485
	<u>132,708</u>	<u>350,000</u>	<u>351,976</u>



20. Funds held in Trust

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	309,704	550,000	430,319
	<u>309,704</u>	<u>550,000</u>	<u>430,319</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.

21. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Tennis Court cleaning	<i>completed</i>	-	39,850	(39,850)	-	-
Gym Floor	<i>completed</i>	-	-	(48,204)	-	(48,204)
LED Lighting	<i>in progress</i>	-	70,000	(14,495)	-	55,505
Music Block	<i>in progress</i>	-	-	(1,749)	-	(1,749)
Nelson Block	<i>in progress</i>	-	42,300	(18,091)	-	24,209
Rugby Change Rooms	<i>in progress</i>	-	50,000	-	-	50,000
Fire System Upgrade	<i>in progress</i>	-	-	(19,695)	-	(19,695)
Totals		-	202,150	(142,084)	-	60,066

Represented by:

Funds Held on Behalf of the Ministry of Education	129,714
Funds Due from the Ministry of Education	69,648
	<u>60,066</u>



22. Funds Held on Behalf of Kahui Ako Cluster

Tauranga Boys College is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Funds Held at Beginning of the Year	54,908	54,900	43,850
Funds Received from Cluster Members	26,003	-	51,116
Funds Received from MoE	60,350	58,900	25,083
Funds Spent on Behalf of the Cluster	(70,791)	(83,800)	(65,141)
Funds Held at Year End	70,470	30,000	54,908

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets

Cash at bank	70,470	54,908
--------------	--------	--------

Non Current Assets

Property Plant and Equipment	-	-
------------------------------	---	---

Current Liabilities

Operating Creditors	-	-
---------------------	---	---

Non Current Liabilities

Borrowings	-	-
------------	---	---

Equity

70,470	-	54,908
--------	---	--------

23. 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.



24. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,459	4,685
Full-time equivalent members	0.08	0.11
<i>Leadership Team</i>		
Remuneration	3,051,790	2,716,785
Full-time equivalent members	27	26
Total key management personnel remuneration	3,056,249	2,721,470
Total full-time equivalent personnel	27.08	26.11

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

Principal 1

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	210-220	200-210
Benefits and Other Emoluments	30-40	30-35

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	22	5
110-120	2	2
120-130	2	-
130-140	-	1
140-150	1	-
	27	8

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



25. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

26. Commitments

(a) Capital Commitments

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

- (a) LED Lighting - \$70,000 has been received from the Ministry of Education for school wide lighting with LED luminaires and autex wall fabrics replacement. \$14,495 has been spent on the detailed design. The contract for the work will be let in 2021 which will be fully funded by the Ministry of Education. Total Ministry approved \$545,000; and
- (b) Nelson Block - \$47,000 contract to have the Nelson block upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$42,300 has been received of which \$18,091 has been spent on the project to balance date. This project has been approved by the Ministry; and
- (c) Rugby Change rooms - \$50,000 has been received from the Ministry of Education, and \$500,000 has been approved to upgrade the Rugby changing rooms. This project is contingent on other projects that will commence in 2021; and
- (d) Fire System Upgrade - \$19,695 has been spent upgrading the Gym fire system due to a lightening strike. The Ministry of Education has approved \$200,000 for the whole school system to be upgraded. The remainder of the work will be contracted in 2021 on behalf of the Ministry of Education; and
- (d) Music Block - preliminary expenses of \$1,748 has been spent on the concept plan. \$600,000 has been approved by the Ministry of Education and contracts will be let on behalf of the Ministry in 2021.

(Capital commitments at 31 December 2019: NIL)

(b) Operating Commitments

Operating commitments at 31 December 2020 NIL (2019: NIL)

27. 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.



28. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	1,031,384	1,060,811	1,273,451
Receivables	1,244,675	400,000	942,490
Investments - Term Deposits	2,365,000	1,700,000	1,770,000
Total Financial assets measured at amortised cost	<u>4,641,059</u>	<u>3,160,811</u>	<u>3,985,941</u>

Financial liabilities measured at amortised cost

Payables	1,642,406	1,200,000	1,202,511
Finance Leases	126,782	350,000	339,146
Total Financial Liabilities Measured at Amortised Cost	<u>1,769,188</u>	<u>1,550,000</u>	<u>1,541,657</u>

29. Events After Balance Date

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





Tel: +64 07 571 6280
Fax: +64 07 571 6281
www.bdo.nz

BDO TAURANGA
Level 1 The Hub, 525 Cameron Road,
Tauranga 3110
PO Box 15660, Tauranga 3144
New Zealand

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF TAURANGA BOYS COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Tauranga Boys College (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 23, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

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

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

PARTNERS: Fraser Lellman CA
Donna Taylor CA

Kenneth Brown CA
Paul Manning CA

Janine Hellyer CA
Jenny Lee CA

ASSOCIATE: Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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

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

Our responsibilities 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, Board of Trustees Listing and Kiwisport Report, 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.



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand