

TAURANGA BOYS COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	121
Principal:	Mr Andrew Turner
School Address:	664 Cameron Road, Tauranga 3112
School Postal Address:	664 Cameron Road, Tauranga 3112
School Phone:	07 5784029
School Email:	tbc@tbc.school.nz

Members of the Board

Name	Position	How Position Gained		Term Expired/ Expires
Mr Robert Mangan	Principal	ex Officio		Jul-22
Mr Andrew Turner	Principal	ex Officio		
Mr Richard Craven	Parent Rep	Elected		Jun-22
Mr Simon Oldham	Parent Rep	Elected		Jun-22
Ms Amanda Gilbertson	Parent Rep	Elected		Jun-22
Mr Stan Urwin	Parent Rep	Elected		Jun-22
Ms Nikki Iuli	Parent Rep	Elected		Jun-25
Mr Robert Dunne	Parent Rep	Elected		Jun-25
Mr Charl Louw	Parent Rep	Elected		Jun-25
Mr Charles Palmer	Parent Rep	Elected		Jun-25
Mr Darryl McConnell	Parent Rep	Elected		Jun-25
Mr Rob Warner	Staff Rep	Elected		Jun-22
Mr Jordan Evison	Staff Rep	Elected		Jun-25

TAURANGA BOYS COLLEGE

Annual Report - For the year ended 31 December 2022

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Tauranga Boys College

Statement of Responsibility

For the year ended 31 December 2022

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

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

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

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

Nikki Iuli

Full Name of Presiding Member



Signature of Presiding Member

30 May 2023

Date:

Andrew Turner

Full Name of Principal



Signature of Principal

30 May 2023

Date:

Tauranga Boys College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	20,787,138	20,042,972	19,717,020
Locally Raised Funds	3	2,632,432	2,329,700	2,476,056
Interest Income		57,765	35,000	33,705
Gain on Sale of Property, Plant and Equipment		35,362	-	7,521
Other Revenue		26,316	-	25,979
Total Revenue		23,539,013	22,407,672	22,260,282
Expenses				
Locally Raised Funds	3	1,561,006	1,216,700	1,448,546
Learning Resources	4	15,803,666	15,596,358	15,373,600
Administration	5	2,368,648	2,087,700	1,869,437
Finance		35,831	38,500	34,180
Property	6	3,180,738	3,451,700	3,532,500
Other Expenses	7	(2,009)	-	17,839
		22,947,880	22,390,958	22,276,102
Net Surplus / (Deficit) for the year		591,133	16,714	(15,820)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		591,133	16,714	(15,820)

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		5,222,005	4,926,505	5,237,825
Total comprehensive revenue and expense for the year		591,133	16,714	(15,820)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		86,297	-	-
Equity at 31 December		5,899,434	4,943,219	5,222,005
Accumulated comprehensive revenue and expense		5,899,434	4,943,219	5,222,005
Reserves		-	-	-
Equity at 31 December		5,899,434	4,943,219	5,222,005

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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2,021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	4,565,811	1,173,870	518,424
Accounts Receivable	9	1,407,388	1,200,000	1,175,197
GST Receivable		18,438	40,000	85,431
Prepayments		70,681	220,000	35,448
Inventories	10	222,925	150,000	148,905
Investments	11	235,000	2,000,000	3,177,865
Funds Receivable for Capital Works Projects	20	97,511	-	27,275
		6,617,754	4,783,870	5,168,545
Current Liabilities				
Accounts Payable	14	1,918,174	1,900,000	1,534,733
Revenue Received in Advance	15	816,740	700,000	440,842
Provision for Cyclical Maintenance	16	648,480	650,000	542,847
Finance Lease Liability	18	167,149	100,000	156,947
Funds held in Trust	19	705,029	500,000	325,744
Funds held for Capital Works Projects	20	584,744	130,000	143,418
Funds held on behalf of Tauranga Peninsula Kahui Ako	21	64,317	10,651	57,731
		4,904,633	3,990,651	3,202,262
Working Capital Surplus/(Deficit)		1,713,121	793,219	1,966,283
Non-current Assets				
Investments		-	-	-
Property, Plant and Equipment	12	3,912,076	4,600,000	3,972,768
Work in Progress		638,019		139,589
		4,550,095	4,600,000	4,112,357
Non-current Liabilities				
Provision for Cyclical Maintenance	16	228,406	250,000	607,530
Painting Contract Liability		-	-	-
Finance Lease Liability	18	135,376	200,000	249,106
		363,782	450,000	856,636
Net Assets		5,899,434	4,943,219	5,222,005
Equity		5,899,434	4,943,219	5,222,005

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 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		5,698,973	6,062,766	5,359,295
Locally Raised Funds		2,292,942	2,108,500	2,033,820
International Students		677,144	271,200	249,554
Goods and Services Tax (net)		66,996	(20,000)	(70,080)
Payments to Employees		(2,798,504)	(2,668,800)	(2,350,524)
Payments to Suppliers		(4,629,622)	(4,283,658)	(4,267,830)
Interest Paid		(35,831)	(38,500)	(34,180)
Interest Received		66,651	35,000	47,325
Net cash from/(to) Operating Activities		1,338,747	1,466,508	967,380
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		35,362	-	7,521
Purchase of Property Plant & Equipment (and Intangibles)		(461,213)	(835,000)	(420,401)
Purchase of Investments		2,304,846	(625,000)	(812,865)
Net cash from/(to) Investing Activities		1,878,994	(1,460,000)	(1,225,745)
Cash flows from Financing Activities				
Furniture and Equipment Grant		86,297	-	
Finance Lease Payments		(83,847)	300,000	(181,268)
Painting contract payments		-	-	(80,878)
Funds Administered on Behalf of Third Parties		827,197	(59,349)	7,551
Net cash from/(to) Financing Activities		829,646	240,651	(254,595)
Net increase/(decrease) in cash and cash equivalents		4,047,387	247,159	(512,960)
Cash and cash equivalents at the beginning of the year	8	518,424	926,711	1,031,384
Cash and cash equivalents at the end of the year	8	4,565,811	1,173,870	518,424

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 2022

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

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 12.



Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 18. Future operating lease commitments are disclosed in note 31b.

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.

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

d) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

f) 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.

f) 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.

g) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the 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	10–75 years
Board Owned Buildings	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

h) 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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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.



i) 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. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

j) 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.

k) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

l) Revenue Received in Advance

Revenue received in advance relates to fees received from international students 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.

m) 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.

n) Funds held for Capital works

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

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



o) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

The schools carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

q) Financial Instruments

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

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

r) Borrowings

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

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

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



2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	5,690,070	5,181,972	5,123,007
Teachers' Salaries Grants	12,993,917	12,500,000	12,418,942
Use of Land and Buildings Grants	1,953,012	2,200,000	2,010,656
Other Government Grants	150,139	161,000	164,415
	20,787,138	20,042,972	19,717,020

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

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	427,307	554,400	441,618
Curriculum related Activities - Purchase of goods and services	158,773	54,000	70,304
Fees for Extra Curricular Activities	1,059,515	1,000,000	914,832
Trading	289,576	52,300	305,045
Fundraising & Community Grants	476	45,000	44,318
Other Revenue	399,580	352,800	324,276
International Student Fees	297,205	271,200	375,663
	2,632,432	2,329,700	2,476,056
Expenses			
Extra Curricular Activities Costs	951,212	1,000,000	845,984
Trading	248,451	14,000	275,963
Fundraising and Community Grant Costs	-	-	-
Other Locally Raised Funds Expenditure	2,337	-	-
	74,524	17,500	11,838
International Student - Employee Benefit - Salaries	188,194	120,400	222,166
International Student - Other Expenses	96,288	64,800	92,595
	1,561,006	1,216,700	1,448,546
Surplus/ (Deficit) for the year Locally raised funds	1,071,426	1,113,000	1,027,510

During the year the School hosted 31 International students (2021:27)



4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	1,574,546	1,750,358	1,578,154
Information and Communication Technology	76,831	77,000	80,477
Library Resources	19,047	12,000	15,652
Employee Benefits - Salaries	13,464,024	12,997,000	12,877,133
Staff Development	27,404	25,000	25,533
Depreciation	641,814	735,000	796,651
	15,803,666	15,596,358	15,373,600

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	12,680	11,000	9,996
Board Fees	3,585	5,000	3,075
Board Expenses	29,595	20,000	3,222
Communication	18,996	20,000	19,466
Consumables	24,303	20,000	21,174
Operating Lease	20,934	22,000	22,030
Legal Fees	41,569	15,000	-
Other	142,377	77,000	44,605
Employee Benefits - Salaries	1,845,075	1,674,700	1,513,452
Insurance	56,908	48,000	41,562
Service Providers, Contractors and Consultancy	172,626	175,000	190,855
	2,368,648	2,087,700	1,869,437

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	40,366	45,000	45,851
Consultancy and Contract Services	288,553	287,000	273,048
Cyclical Maintenance Provision	75,003	60,000	372,461
Grounds	104,403	110,000	94,155
Heat, Light and Water	214,006	240,000	260,897
Rates	37,672	38,000	33,410
Repairs and Maintenance	117,082	130,000	138,828
Use of Land and Buildings	1,953,012	2,200,000	2,010,656
Security	11,294	15,000	15,528
Employee Benefits - Salaries	339,347	326,700	287,666
	3,180,738	3,451,700	3,532,500

The use of land and buildings figure represents 5% 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.

7. Other Expenses

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Transport	(2,009)	-	(1,023)
	<u>(2,009)</u>	<u>-</u>	<u>(1,023)</u>

8. Cash and Cash Equivalents

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Bank Accounts	4,177,991	1,173,870	135,666
Short-term Bank Deposits	387,820	-	382,758
Bank Overdraft	-	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>4,565,811</u>	<u>1,173,870</u>	<u>518,424</u>

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

Of the \$4,177,991 Cash and Cash Equivalents, \$671,040 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

Of the \$4,177,991 Cash and Cash Equivalents, \$64,317 is held by the School on behalf of the Tauranga Peninsula Kahui Ako cluster. See note 25 for details of how the funding received for the cluster has been spent in the year.

9. Accounts Receivable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Receivables	267,268	1,200,000	131,708
Receivables from the Ministry of Education	(0)	-	27,275
Interest Receivable	4,994	-	13,880
Teacher Salaries Grant Receivable	1,135,126	-	1,029,609
	<u>1,407,388</u>	<u>1,200,000</u>	<u>1,202,472</u>
Receivables from Exchange Transactions	272,262	1,200,000	145,588
Receivables from Non-Exchange Transactions	1,135,126	-	1,056,884
	<u>1,407,388</u>	<u>1,200,000</u>	<u>1,202,472</u>

10. Inventories

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	13,147	150,000	10,422
School Uniforms	209,778	-	138,483
	<u>222,925</u>	<u>150,000</u>	<u>148,905</u>



11. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	235,000	2,000,000	3,177,865
Total Investments	235,000	2,000,000	3,177,865

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Buildings	2,705,560				(102,541)	2,603,019
Furniture and Equipment	690,101	333,056	(7,272)	-	(228,723)	787,162
Information and Communication Technology	155,713	49,108	(39)		(70,349)	134,433
Motor Vehicles	31,018	114,199	(8,045)	-	(20,605)	116,567
Textbooks	14,660	5,286			(12,526)	7,420
Leased Assets	286,390	83,177			(194,448)	175,119
Library Resources	89,326	19,768	(8,116)		(12,622)	88,356
Balance at 31 December 2022	3,972,768	604,594	(23,472)	-	(641,814)	3,912,076

The net carrying value of equipment held under a finance lease is **\$175,119 (2021: \$286,390)**

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Buildings	4,390,360	(1,787,341)	2,603,019	4,466,538	(1,760,978)	2,705,560
Furniture and Equipment	4,577,491	(3,790,329)	787,162	5,253,164	(4,563,063)	690,101
Information and Communication Technology	894,958	(760,525)	134,433	1,056,229	(900,516)	155,713
Motor Vehicles	342,745	(226,178)	116,567	299,260	(268,242)	31,018
Textbooks	37,578	(30,158)	7,420	56,412	(41,752)	14,660
Leased Assets	1,420,201	(1,245,082)	175,119	1,439,881	(1,153,491)	286,390
Library Resources	200,416	(112,060)	88,356	198,711	(109,385)	89,326
Balance at 31 December	11,863,749	(7,951,673)	3,912,076	12,770,195	(8,797,427)	3,972,768



13. 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 2021	74,519	-	74,519
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2021 / 1 January 2022	74,519	-	-
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2022	74,519	-	-
Accumulated Amortisation and impairment losses			
Balance at 1 January 2021	74,519	-	74,519
Amortisation expense	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2021 / 1 January 2022	74,519	-	-
Amortisation expense	-	-	-
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2022	74,519	-	-
Carrying amounts			
At 1 January 2021	-	-	-
At 31 December 2021 / 1 January 2022	-	-	-
At 31 December 2022	-	-	-

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 (2021: \$nil)

14. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	554,497	1,800,000	217,209
Accruals	12,274	-	115,857
Employee Entitlements - Salaries	1,249,035	-	1,106,274
Employee Entitlements - Leave Accrual	102,368	100,000	95,393
	1,918,174	1,900,000	1,534,733
Payables for Exchange Transactions	1,918,174	1,900,000	1,534,733
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	1,918,174	1,900,000	1,534,733

The carrying value of payables approximates their fair value.



15. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Grants in Advance - Ministry of Education	-	-	71,000
International Student Fees in Advance	611,113	-	231,174
Other revenue in Advance	205,627	700,000	138,668
	<u>816,740</u>	<u>700,000</u>	<u>440,842</u>

16. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	1,150,377	1,150,377	858,794
Increase to the Provision During the Year	75,003	60,000	372,461
Use of the Provision During the Year	(348,494)	-	(80,878)
Provision at the End of the Year	<u>876,886</u>	<u>1,210,377</u>	<u>1,150,377</u>
Cyclical Maintenance - Current	648,480	650,000	542,847
Cyclical Maintenance - Non current	228,406	250,000	607,530
	<u>876,886</u>	<u>900,000</u>	<u>1,150,377</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan, which is prepared by a Ministry of Education appointed property consultant.

17. Painting Contract Liability

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Due within one year	-	-	-
Due after one year	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

In 2021 the Board signed an agreement with Carus Group Limited (the contractor) for an agreed programme of work covering an eight year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2022/23, with regular maintenance in subsequent years. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

18. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	169,824		179,714
Later than One Year and no Later than Five Years	130,242		284,620
	300,066	-	464,334
Represented by			
Finance lease liability - Current	167,149		156,947
Finance lease liability - Non current	135,376		249,106
	302,525	-	406,053

19. Funds held in Trust

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	705,029	500,000	325,744
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	705,029	500,000	325,744

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

20. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 9.

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
LED Lighting and acoustics	<i>in progress</i>	45,462	-	(12,578)	-	32,885
Music Block	<i>in progress</i>	24,557	-	(67,570)	-	(43,013)
Nelson Block	<i>Completed</i>	3,531	-	(3,531)	-	0
Rugby Change Rooms	<i>in progress</i>	49,563	-	-	-	49,563
Fire system upgrade	<i>Completed</i>	305	-	-	-	305
Prefabs	<i>in progress</i>	(18,963)	-	-	-	(18,963)
Decks	<i>in progress</i>	20,000	-	-	-	20,000
Weathertightness	<i>in progress</i>	(3,687)	-	-	-	(3,687)
Floor Coverings	<i>in progress</i>	(3,125)	422,312	(190,803)	-	228,383
Special Needs Mods	<i>in progress</i>	(1,500)	156,124	(19,576)	-	135,049
K Block Toilets	<i>in progress</i>		91,942	(15,209)	-	76,733
Roof Replacement and Remediation	<i>in progress</i>		47,775	(5,948)	-	41,827
T Block Refurb	<i>in progress</i>		-	(21,098)	-	(21,098)
Fire Alarms	<i>in progress</i>		-	(10,750)	-	(10,750)
Totals		116,142	718,153	(347,063)	-	487,232

Represented by:

Funds Held on Behalf of the Ministry of Education	584,744
Funds Receivable from the Ministry of Education	(97,511)

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Gym Floor		(48,204)	48,204	-		-
LED Lighting and acoustics		55,505	375,470	(385,513)		45,462
Music Block		(1,749)	60,000	(33,694)		24,557
Nelson Block		24,209	-	(20,678)		3,531
Rugby Change Rooms		50,000	-	(438)		49,563
Fire system upgrade		(19,695)	20,000	-		305
Prefabs		-	-	(18,963)		(18,963)
Decks		-	20,000	-		20,000
Weathertightness		-	-	(3,687)		(3,687)
Floor Coverings		-	-	(3,125)		(3,125)
Special Needs Mods		-	-	(1,500)		(1,500)
Totals		60,066	523,674	(467,598)	-	116,142

Represented by:

Funds Held on Behalf of the Ministry of Education	143,418
Funds Receivable from the Ministry of Education	(27,275)



21. 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.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	57,731	68,676	70,470
Funds Received from Cluster Members	60,993	35,000	35,278
Funds Received from MoE	7,750	7,375	16,517
Total funds received	68,743	42,375	122,265
Funds Spent on Behalf of the Cluster	62,157	100,400	64,534
Funds remaining	6,586	(58,025)	57,731
Funds Held at Year End	64,317	10,651	57,731

22. 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.

23. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,585	3,075
<i>Leadership Team</i>		
Remuneration	3,491,164	3,185,439
Full-time equivalent members	32	27
Total key management personnel remuneration	3,494,749	3,188,514

There are six members of the Board excluding the Principal. The Board had held seven full meetings of the Board in the year. The Board also has a Finance (two members) sub-committee that meet prior to Board Meetings. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	220 - 230
Benefits and Other Emoluments	15 - 20	40 - 45
Termination Benefits	-	-

Principal 2

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	
Benefits and Other Emoluments	5 - 10	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	29	26
110 - 120	12	10
120 - 130	1	1
130 - 140	2	2
140 - 150		1
150 - 160	1	
	45	40

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



24. Compensation and Other Benefits Upon Leaving

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

	2022 Actual	2021 Actual
Total		-
Number of People		-

25. Contingencies

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

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed. To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

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

26. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) LED Lighting - \$445,470 has been received from the Ministry of Education for school wide lighting with LED luminaires and autex wall fabrics replacement. \$412,586 has been spent on installing LED lighting. The contract for balance of the work will be let in 2023. Total Ministry approved \$700,000; and

(b) Music Block - \$60,000 has been received from the Ministry of Education for the development of new music studios and modification of existing spaces. \$103,013 has been spent on design. The contract for balance of the work will be let in 2023. Total Ministry approved \$600,000; 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 2023; and

(d) Fire System Upgrade - \$20,000 has been received from the Ministry of Education for the upgrade of the fire system. \$30,445 has been spent on upgrading the fire system. 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 2023; and

(e) Decks - \$20,000 has been received from the Ministry of Education for the upgrade of decking areas. The contract for balance of the work will be let in 2023. Total Ministry approved \$200,000; and

(f) K Block Toilets - \$91,942 has been received from the Ministry of Education for the upgrade of the K Block Toilets, including the provision of hot water. \$15,209 has been spent. The contract for balance of the work will be let in 2023. Total Ministry approved \$150,000; and

(g) Floor Coverings - \$422,321 has been received from the Ministry of Education for the replacement of floor coverings. \$193,937 has been spent on new floor coverings. The contract for balance of the work will be let in 2023. Total Ministry approved \$570,000; and

(h) Roof Replacements - \$47,775 has been received from the Ministry of Education for the replacement and remediation of roofing. \$5,948 has been spent on new floor coverings. The contract for balance of the work will be let in 2023. Total Ministry approved \$115,000; and

(Capital commitments at 31 December 2021: \$500,000)



27. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	4,565,811	1,173,870	518,424
Receivables	1,407,388	1,200,000	1,202,472
Investments - Term Deposits	235,000	2,000,000	3,177,865
Total Financial assets measured at amortised cost	<u>6,208,199</u>	<u>4,373,870</u>	<u>4,898,761</u>

Financial liabilities measured at amortised cost

Payables	1,918,174	1,900,000	1,534,733
Finance Leases	302,525	300,000	406,053
Total Financial Liabilities Measured at Amortised Cost	<u>2,220,699</u>	<u>2,200,000</u>	<u>1,940,786</u>

28. Events After Balance Date

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

29. Comparatives

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAURANGA BOYS COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 4 to 24, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA 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.

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 is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing, Kiwisport Report and Good Employer Statement, but does not include the financial statements, and our auditor's report 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