

# **PAPAMOA COLLEGE**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**PAPAMOA  
COLLEGE**

# PAPAMOA COLLEGE

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

**Ministry Number:** 6963

**Principal:** Steve Lindsey

**School Address:** 151 Doncaster Drive, Papamoa

**School Postal Address:** P O Box 11150, Papamoa, 3151

**School Phone:** 07 542 0676

**School Email:** [jhardwicke@papamoacollege.school.nz](mailto:jhardwicke@papamoacollege.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Expires
Jethro Le Roy	Chair Person	Re-elected	May-22
Steve Lindsay	Principal	ex Officio	
Paul Dunn	Parent Rep	Elected	May-22
Robyn Cabusao	Parent Rep	Elected	May-22
Sharon McQuaire	Parent Rep	Co-opted	May-22
Shiv Thammalia	Parent Rep	Elected	May-22
Whetu Rolleston	Parent Rep	Co-opted	May-22
Geoff Bird	Staff Rep	Re-elected	May-22
Maddy Karauna	Student Rep	Elected	Sep-21
Rogan Long	Student Rep	Elected	Sep-20

#### Accountant / Service Provider:



#### Auditor:

BDO Tauranga

# PAPAMOA COLLEGE

Annual Report - For the year ended 31 December 2020

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# Papamoa 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.

Jethro LeRoy

Full Name of Board Chairperson

Steve Lindsey

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

26/5/2021

Date:

27/5/2021

Date:

# Papamoa College

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020 Budget	2019
	Notes	Actual \$	(Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	14,963,867	13,296,681	12,930,496
Locally Raised Funds	3	313,675	24,028	577,121
Interest income		5,659	25,000	22,536
		15,283,201	13,345,709	13,530,153
<b>Expenses</b>				
Locally Raised Funds	3	268,610	-	341,514
Learning Resources	4	9,899,604	8,666,388	8,789,557
Administration	5	582,374	654,850	577,832
Finance		15,424	1,000	15,581
Property	6	3,937,178	3,879,657	3,978,718
Depreciation	7	371,912	150,000	343,757
Loss on Disposal of Property, Plant and Equipment		3,089	-	2,739
		15,078,191	13,351,895	14,049,698
<b>Net Surplus / (Deficit) for the year</b>		205,010	(6,186)	(519,545)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		205,010	(6,186)	(519,545)

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



# Papamoa College

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>	<u>1,489,798</u>	<u>1,489,798</u>	<u>2,008,593</u>
Total comprehensive revenue and expense for the year	205,010	(6,186)	(519,545)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	120,000	-	750
<b>Equity at 31 December</b>	<u>1,814,808</u>	<u>1,483,612</u>	<u>1,489,798</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.



# Papamoa College

## Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	1,267,380	252,537	126,262
Accounts Receivable	9	666,538	521,873	521,873
GST Receivable		-	32,077	32,077
Prepayments		11,579	47,652	47,652
Investments	10	-	291,727	291,727
		<u>1,945,497</u>	<u>1,145,866</u>	<u>1,019,591</u>
<b>Current Liabilities</b>				
GST Payable		11,907	-	-
Accounts Payable	12	819,856	661,551	661,551
Revenue Received in Advance	13	40,982	27,861	27,861
Provision for Cyclical Maintenance	14	78,189	-	-
Finance Lease Liability - Current Portion	15	72,500	58,846	69,280
Funds held in Trust	16	-	5,500	5,500
Funds held for Capital Works Projects	17	465,701	-	13,111
		<u>1,489,135</u>	<u>753,758</u>	<u>777,303</u>
<b>Working Capital Surplus/(Deficit)</b>		456,362	392,108	242,288
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,556,752	1,384,395	1,599,248
		<u>1,556,752</u>	<u>1,384,395</u>	<u>1,599,248</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	122,950	241,500	241,500
Finance Lease Liability	15	75,356	51,391	110,238
		<u>198,306</u>	<u>292,891</u>	<u>351,738</u>
<b>Net Assets</b>		<u>1,814,808</u>	<u>1,483,612</u>	<u>1,489,798</u>
<b>Equity</b>	23	<u>1,814,808</u>	<u>1,483,612</u>	<u>1,489,798</u>

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



# Papamoa College

## Statement of Cash Flows

For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual \$	(Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	3,797,197	3,272,925	2,921,196
Locally Raised Funds	326,923	52,012	605,105
Goods and Services Tax (net)	43,984	11,663	11,663
Funds Administered on Behalf of Third Parties	(5,500)	5,500	5,500
Payments to Employees	(1,896,015)	(1,479,005)	(1,736,224)
Payments to Suppliers	(1,618,090)	(1,699,305)	(1,943,268)
Interest Paid	(15,424)	(1,000)	(15,581)
Interest Received	7,893	26,867	24,403
Net cash from/(to) Operating Activities	640,968	189,657	(127,206)
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	1,649	-	
Purchase of Property Plant & Equipment (and Intangibles)	(291,065)	(137,500)	(257,809)
Purchase of Investments	291,727	184,684	184,684
Net cash from/(to) Investing Activities	2,311	47,184	(73,125)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	120,000	-	750
Finance Lease Payments	(74,751)	(22,896)	(72,381)
Funds Held for Capital Works Projects	452,590	-	13,111
Net cash from/(to) Financing Activities	497,839	(22,896)	(58,520)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,141,118</b>	<b>213,945</b>	<b>(258,851)</b>
Cash and cash equivalents at the beginning of the year	8	126,262	38,592
<b>Cash and cash equivalents at the end of the year</b>	8	<b>1,267,380</b>	<b>252,537</b>

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.





# Papamoa College

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Papamoa 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 14.



#### *Useful lives of property, plant and equipment*

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

#### **Critical Judgements in applying accounting policies**

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

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. 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.

##### **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 offset by a non-cash grant from the Ministry.

#### **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) 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.

### **j) 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	18-40 years
Furniture and equipment	5–15 years
Information and communication technology	5 years
Motor vehicles	4 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

### **k) 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.

#### **l) 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.

#### **m) 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.

##### *Long-term employee entitlements*

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

#### **n) Revenue Received in Advance**

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

#### **o) 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.

#### **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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

#### **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 categorised as 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.



The School's financial liabilities comprise accounts payable, 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.

**r) 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.

**s) Budget Figures**

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

**t) 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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operational Grants	3,057,577	2,863,000	2,394,440
Teachers' Salaries Grants	7,818,841	6,800,000	6,785,544
Use of Land and Buildings Grants	3,346,313	3,204,857	3,204,857
Resource Teachers Learning and Behaviour Grants	9,572	-	9,165
Other MoE Grants	660,306	355,824	462,830
Other Government Grants	71,258	73,000	73,660
	<u>14,963,867</u>	<u>13,296,681</u>	<u>12,930,496</u>

The school has opted in to the donations scheme for this year. Total amount received was \$230,400.

Other MOE Grants total includes additional COVID-19 funding totalling \$44,850 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
<b>Revenue</b>			
Donations	6,014	-	68,655
Activities	268,001	14,028	368,160
Fundraising	-	-	1,739
Other Revenue	39,660	10,000	138,567
	<u>313,675</u>	<u>24,028</u>	<u>577,121</u>
<b>Expenses</b>			
Activities	268,610	-	341,514
	<u>268,610</u>	<u>-</u>	<u>341,514</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>45,065</u>	<u>24,028</u>	<u>235,607</u>

## 4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	475,648	545,700	525,826
Equipment Repairs	5,218	5,000	4,658
Information and Communication Technology	75,492	115,000	78,551
Library Resources	17,524	30,000	9,486
Employee Benefits - Salaries	9,290,356	7,862,688	8,114,218
Staff Development	35,366	108,000	56,818
	<u>9,899,604</u>	<u>8,666,388</u>	<u>8,789,557</u>



## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	8,817	8,500	8,313
Board of Trustees Fees	4,251	4,000	3,343
Board of Trustees Expenses	11,690	10,600	13,336
Communication	27,513	40,000	30,113
Consumables	33,755	34,500	34,762
Operating Lease	108,312	135,400	115,083
Other	62,340	86,150	57,923
Employee Benefits - Salaries	295,579	305,700	288,749
Insurance	21,841	14,000	17,885
Service Providers, Contractors and Consultancy	8,276	16,000	8,325
	582,374	654,850	577,832

## 6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	216,604	140,000	180,669
Consultancy and Contract Services	14,122	18,400	16,579
Cyclical Maintenance Provision	(40,361)	35,000	35,000
Grounds	56,855	43,000	51,734
Heat, Light and Water	98,540	92,500	106,733
Rates	18,090	15,000	14,263
Repairs and Maintenance	66,344	160,000	187,700
Use of Land and Buildings	3,346,313	3,204,857	3,204,857
Security	15,264	16,000	18,099
Employee Benefits - Salaries	145,407	154,900	163,084
	3,937,178	3,879,657	3,978,718

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting

## 7. Depreciation

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Building Improvements - Crown	11,315	5,000	8,025
Furniture and Equipment	120,676	50,000	123,780
Information and Communication Technology	111,355	35,000	93,869
Motor Vehicles	21,485	15,000	23,544
Curriculum Assets	3,104	1,000	1,485
Leased Assets	76,751	30,000	65,744
Library Resources	19,410	10,000	20,932
Plant & Machinery	4,395	2,000	3,040
Office Equipment & Furniture	3,421	2,000	3,338
	371,912	150,000	343,757

## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	-	100	100
Bank Current Account	1,267,380	252,437	126,162
Cash and cash equivalents for Statement of Cash Flows	1,267,380	252,537	126,262

Of the \$1,267,380 Cash and Cash Equivalents, \$465,701 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 \$1,267,380 Cash and Cash Equivalents, \$7,908 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.

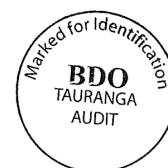
## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	29,794	29,905	29,905
Receivables from the Ministry of Education	1,500	-	-
Interest Receivable	-	2,234	2,234
Teacher Salaries Grant Receivable	635,244	489,734	489,734
	666,538	521,873	521,873
Receivables from Exchange Transactions	29,794	32,139	32,139
Receivables from Non-Exchange Transactions	636,744	489,734	489,734
	666,538	521,873	521,873

## 10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	-	291,727	291,727
Total Investments	-	291,727	291,727





## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements - Crown	134,538	85,587	-	-	(11,315)	208,810
Furniture and Equipment	762,143	48,226	-	-	(120,676)	689,693
Info & Comm. Technology	265,020	131,175	-	-	(111,355)	284,840
Motor Vehicles	49,294	-	-	-	(21,485)	27,809
Curriculum Assets	26,345	7,505	(1,648)	-	(3,104)	29,098
Leased Assets	168,738	43,089	-	-	(76,751)	135,076
Library Resources	146,523	11,852	(3,089)	-	(19,410)	135,876
Plant & Machinery	33,419	6,719	-	-	(4,395)	35,743
Office Equipment & Furniture	13,228	-	-	-	(3,421)	9,807
<b>Balance at 31 December 2020</b>	<b>1,599,248</b>	<b>334,153</b>	<b>(4,737)</b>	<b>-</b>	<b>(371,912)</b>	<b>1,556,752</b>

The net carrying value of equipment held under a finance lease is **\$113,425 (2019: \$168,738)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements - Crown	263,618	(54,808)	208,810
Furniture and Equipment	1,926,219	(1,236,526)	689,693
Information and Communication Technology	1,350,864	(1,066,024)	284,840
Motor Vehicles	115,719	(87,910)	27,809
Curriculum Assets	33,932	(4,834)	29,098
Leased Assets	259,857	(124,781)	135,076
Library Resources	320,796	(184,920)	135,876
Plant & Machinery	44,721	(8,978)	35,743
Office Equipment & Furniture	17,105	(7,298)	9,807
<b>Balance at 31 December 2020</b>	<b>4,332,831</b>	<b>(2,776,079)</b>	<b>1,556,752</b>



2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements - Crown	125,530	17,033	-	-	(8,025)	134,538
Furniture and Equipment	764,876	121,047	-	-	(123,780)	762,143
Info & Comm. Technology	292,389	66,500	-	-	(93,869)	265,020
Motor Vehicles	72,838	-	-	-	(23,544)	49,294
Curriculum Assets	7,585	20,245	-	-	(1,485)	26,345
Leased Assets	46,716	187,766	-	-	(65,744)	168,738
Library Resources	150,486	19,708	(2,739)	-	(20,932)	146,523
Plant & Machinery	24,846	11,613	-	-	(3,040)	33,419
Office Equipment & Furniture	14,902	1,664	-	-	(3,338)	13,228
<b>Balance at 31 December 2019</b>	<b>1,500,168</b>	<b>445,576</b>	<b>(2,739)</b>	<b>-</b>	<b>(343,757)</b>	<b>1,599,248</b>

The net carrying value of equipment held under a finance lease is \$168,738 (2018: \$46,716)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements - Crown	178,030	(43,492)	134,538
Furniture and Equipment	1,877,993	(1,115,850)	762,143
Information and Communication Technology	1,251,891	(986,871)	265,020
Motor Vehicles	115,719	(66,425)	49,294
Curriculum Assets	28,310	(1,965)	26,345
Leased Assets	246,837	(78,099)	168,738
Library Resources	315,596	(169,073)	146,523
Plant & Machinery	38,002	(4,583)	33,419
Office Equipment & Furniture	17,105	(3,877)	13,228
<b>Balance at 31 December 2019</b>	<b>4,069,483</b>	<b>(2,470,235)</b>	<b>1,599,248</b>

## 12. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	66,205	69,378	69,378
Accruals	7,317	7,835	7,835
Employee Entitlements - Salaries	724,285	571,836	571,836
Employee Entitlements - Leave Accrual	22,049	12,502	12,502
	<b>819,856</b>	<b>661,551</b>	<b>661,551</b>
Payables for Exchange Transactions	819,856	661,551	661,551
	<b>819,856</b>	<b>661,551</b>	<b>661,551</b>

The carrying value of payables approximates their fair value.



### 13. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Grants in Advance - Ministry of Education	7,908	7,924	7,924
Other	33,074	19,937	19,937
	40,982	27,861	27,861

### 14. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	241,500	241,500	206,500
Increase/ (decrease) to the Provision During the Year	(40,361)	35,000	35,000
Provision at the End of the Year	201,139	276,500	241,500
Cyclical Maintenance - Current	78,189	-	-
Cyclical Maintenance - Term	122,950	241,500	241,500
	201,139	241,500	241,500

### 15. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	72,500	58,846	69,280
No Later than One Year - Interest	8,645	8,083	13,284
Later than One Year and no Later than Five Years	75,356	51,391	110,238
Later than One Year and no Later than Five Years - Interest	3,368	3,042	10,320
	159,869	121,362	203,122

### 16. Funds held in Trust

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	5,500	5,500
	-	5,500	5,500



## 17. Funds Held for Capital Works Projects

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

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
MOE Heat Mitigation	<i>completed</i>	13,111	-	-	(13,111)	-
MOE Learning Support Building	<i>in progress</i>	-	488,911	(57,782)	-	431,129
MOE Prefab Refurbishment	<i>in progress</i>	-	49,879	(15,307)	-	34,572
MOE Lighting Upgrade	<i>completed</i>	-	40,500	(40,500)	-	-
<b>Totals</b>		<b>13,111</b>	<b>579,290</b>	<b>(113,589)</b>	<b>(13,111)</b>	<b>465,701</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education

465,701

Funds Due from the Ministry of Education

-

465,701

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
MOE Heat Mitigation	<i>in progress</i>	-	137,223	(124,112)	-	13,111
<b>Totals</b>		<b>-</b>	<b>137,223</b>	<b>(124,112)</b>	<b>-</b>	<b>13,111</b>

## 18. Related Party Transactions

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

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



## 19. Remuneration

### Key management personnel compensation

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

	<b>2020 Actual \$</b>	<b>2019 Actual \$</b>
<i>Board Members</i>		
Remuneration	4,251	3,343
Full-time equivalent members	0.13	0.13
<i>Leadership Team</i>		
Remuneration	540,707	608,960
Full-time equivalent members	4.14	5.00
Total key management personnel remuneration	544,958	612,303
Total full-time equivalent personnel	4.27	5.13

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

### Principal

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

	<b>2020 Actual \$000</b>	<b>2019 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170 - 180
Benefits and Other Emoluments	5 - 6	4 - 5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration \$000</b>	<b>2020 FTE Number</b>	<b>2019 FTE Number</b>
100-110	12.00	4.00
110-120	1.00	0.00
120-130	2.00	0.00
	15.00	4.00

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

## 20. Compensation and Other Benefits Upon Leaving

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

	<b>2020 Actual</b>	<b>2019 Actual</b>
Total	\$0	\$0
Number of People	nil	nil



## 21. 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.

## 22. Commitments

### (a) Capital Commitments

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

- (a) Contract for Learning Support Building to be completed in 2021, which will be fully funded by the Ministry of Education. \$488,911 has been received of which \$57,782 has been spent on the project to date; and
- (b) Contract for Prefab Refurbishment to be completed in 2021, which will be fully funded by the Ministry of Education. \$49,879 has been received of which \$15,307 has been spent on the project to date.

(Capital commitments at 31 December 2019: Contract for Heat Pump Mitigation to be completed in 2020, which will be fully funded by the Ministry of Education. As at balance date \$137,223 had been received of which \$124,112 had been spent on the project.)

### (b) Operating Commitments

As at 31 December 2020 the Board has no operating commitments.

## 23. 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.



## 24. 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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	1,267,380	252,537	126,262
Receivables	666,538	521,873	521,873
Investments - Term Deposits	-	291,727	291,727
Total Financial assets measured at amortised cost	<u>1,933,918</u>	<u>1,066,137</u>	<u>939,862</u>

### Financial liabilities measured at amortised cost

Payables	819,856	661,551	661,551
Finance Leases	147,856	110,237	179,518
Total Financial Liabilities Measured at Amortised Cost	<u>967,712</u>	<u>771,788</u>	<u>841,069</u>

## 25. Events After Balance Date

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

## 26. Comparatives

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



**Papamoa College**  
**Kiwisport Statement**  
As at 31 December 2020

Kiwisport is a government funding initiative to support students participation in organised sport. In 2020 the school received \$31,364 for Kiwisport funding (2019: \$28,198). This was used to assist our Sports Director to arrange programmes and for professional development of teachers to implement education programmes in our school.







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## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF PAPAMOA COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Papamoa 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 20, 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 28 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

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## **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