

TAURANGA BOYS COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 121

Principal: Robert Mangan

School Address: 664 Cameron Road, Tauranga

School Postal Address: 664 Cameron Road, Tauranga

School Phone: 07 5784029

School Email: tbc@tbc.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Mr Richard Craven	Chair Person	Elected	Insurance	Jun-22
Mr Robert Mangan	Principal	ex Officio	Principal	
Paul Hamilton	Parent Rep	Elected	Inland Revenue	Jun-19
Nikki Iuli	Parent Rep	Elected	HR	Jun-22
Simon Oldham	Parent Rep	Elected	HR	Jun-22
Amanda Gilbertson	Parent Rep	Elected	Consultant	Jun-22
Stan Urwin	Parent Rep	Elected	Business Advisor	Jun-22
Rob Warner	Staff Rep	Elected	Teacher	Jun-22
Gary Patterson	Staff Rep	Elected	Teacher	Jun-19

TAURANGA BOYS COLLEGE

Annual Report - For the year ended 31 December 2019

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Tauranga Boys College

Statement of Responsibility

For the year ended 31 December 2019

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

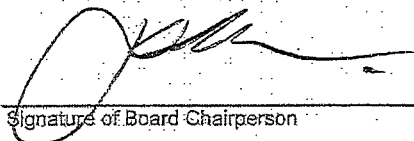
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

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

Richard Craven

Full Name of Board Chairperson



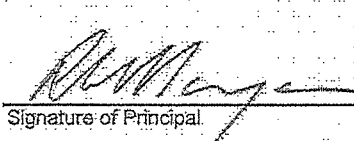
Signature of Board Chairperson

12 May 2020

Date:

Robert Mangan

Full Name of Principal



Signature of Principal

12 May 2020

Date:

Tauranga Boys College

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	17,929,438	16,942,000	16,794,553
Locally Raised Funds	3	2,635,401	1,045,404	2,684,960
Interest income		80,055	61,000	62,254
Gain on Sale of Property, Plant and Equipment		6,591	-	-
International Students	4	899,232	875,720	889,678
		<u>21,550,717</u>	<u>18,924,124</u>	<u>20,431,445</u>
Expenses				
Locally Raised Funds	3	1,629,653	62,000	1,605,972
International Students	4	536,146	495,700	507,941
Learning Resources	5	13,388,040	12,538,455	12,611,338
Administration	6	1,703,916	1,835,200	1,463,158
Finance		18,371	35,000	35,294
Property	7	3,252,844	3,077,000	3,517,017
Depreciation	8	837,671	845,000	862,614
Loss on Disposal of Property, Plant and Equipment		-	-	(6,782)
		<u>21,366,641</u>	<u>18,888,355</u>	<u>20,596,552</u>
Net Surplus / (Deficit) for the year		184,076	35,769	(165,107)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>184,076</u>	<u>35,769</u>	<u>(165,107)</u>

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



Tauranga Boys College

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		4,691,081	4,290,892	4,827,409
Total comprehensive revenue and expense for the year		184,076	35,769	(165,107)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		68,062	-	28,779
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	26	4,943,219	4,326,661	4,691,081
Retained Earnings		4,943,219	4,326,661	4,691,081
Reserves		-	-	-
Equity at 31 December		4,943,219	4,326,661	4,691,081

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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	1,273,451	893,361	1,341,545
Accounts Receivable	10	942,490	900,000	911,757
GST Receivable		40,947	20,000	19,042
Prepayments		361,000	100,000	116,233
Inventories	11	160,272	140,000	142,978
Investments	12	1,770,000	1,300,000	1,030,000
		<u>4,548,160</u>	<u>3,353,361</u>	<u>3,561,555</u>
Current Liabilities				
Accounts Payable	15	1,245,538	1,100,000	1,137,631
Revenue Received in Advance	16	1,086,925	900,000	900,049
Provision for Cyclical Maintenance	17	91,263	100,000	97,916
Painting Contract Liability - Current Portion	18	-	40,000	39,536
Finance Lease Liability - Current Portion	19	260,326	350,000	248,189
Funds held in Trust	20	430,319	320,000	319,732
Funds held on behalf of Kahui Ako Cluster	21	54,908	40,000	43,850
		<u>3,169,279</u>	<u>2,850,000</u>	<u>2,786,903</u>
Working Capital Surplus/(Deficit)		1,378,881	503,361	774,652
Non-current Assets				
Property, Plant and Equipment	13	4,273,582	4,573,300	4,753,724
Intangible Assets	14	-	-	-
		<u>4,273,582</u>	<u>4,573,300</u>	<u>4,753,724</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	17	630,424	550,000	538,292
Finance Lease Liability	19	78,820	200,000	299,003
		<u>709,244</u>	<u>750,000</u>	<u>837,295</u>
Net Assets		<u><u>4,943,219</u></u>	<u><u>4,326,661</u></u>	<u><u>4,691,081</u></u>
Equity	26	<u><u>4,943,219</u></u>	<u><u>4,326,661</u></u>	<u><u>4,691,081</u></u>

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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		4,630,387	4,213,000	4,043,645
Locally Raised Funds		2,749,830	1,098,404	2,771,999
International Students		976,709	875,720	844,695
Goods and Services Tax (net)		(21,906)	-	(8,095)
Payments to Employees		(2,143,772)	(2,105,000)	(2,419,936)
Payments to Suppliers		(5,132,377)	(3,244,355)	(4,601,317)
Cyclical Maintenance Payments in the year		(34,838)	(50,000)	(45,014)
Interest Paid		(18,371)	(35,000)	(35,294)
Interest Received		75,055	58,000	61,254
Net cash from Operating Activities		1,080,717	810,769	611,937
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		6,592	-	(5,996)
Purchase of PPE (and Intangibles)		(316,637)	(918,300)	(413,476)
Purchase of Investments		(740,000)	30,000	-
Proceeds from Sale of Investments		-	-	360,000
Net cash from Investing Activities		(1,050,045)	(888,300)	(59,472)
Cash flows from Financing Activities				
Furniture and Equipment Grant		68,062	-	28,779
Finance Lease Payments		(248,937)	420,000	(261,970)
Painting contract payments		(39,536)	(47,000)	(47,033)
Loans Received/ Repayment of Loans		-	(100,000)	(120,000)
Funds Administered on Behalf of Third Parties		121,645	(40,000)	(72,907)
Net cash from Financing Activities		(98,766)	233,000	(473,131)
Net increase/(decrease) in cash and cash equivalents		(68,094)	155,469	79,334
Cash and cash equivalents at the beginning of the year	9	1,341,545	737,892	1,262,211
Cash and cash equivalents at the end of the year	9	1,273,451	893,361	1,341,545

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 Cash Flow Statement 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 2019

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 Act 1989. 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 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 30.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

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.

For Non-integrated schools only:

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

Prior Year Policy

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

i) Inventories

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

j) Investments

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

Prior Year Policy

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

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

l) Intangible Assets

Software costs

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

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

m) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

p) 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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

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

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

u) 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.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

v) 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.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	3,359,336	3,373,700	3,571,791
Teachers' Salaries Grants	11,009,173	10,529,000	10,561,158
Use of Land and Building grants	2,289,878	2,200,000	2,189,750
Resource Teachers Learning and Behaviour Grants	31,790	25,200	32,113
Other MoE Grants	1,051,473	662,600	283,099
Other Government Grants	187,788	151,500	156,642
	17,929,438	16,942,000	16,794,553

3. Locally Raised Funds

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

	2019	2019 Budget	2018
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	426,429	392,054	386,518
Bequests & Grants	55,829	-	77,994
Activities	1,046,019	274,650	1,228,803
Overseas Travel	613,093	-	410,622
Trading	211,433	25,300	308,367
Fundraising	45,632	143,000	60,232
Other Revenue	236,966	210,400	212,424
	2,635,401	1,045,404	2,684,960
Expenses			
Activities	826,227	42,000	895,722
Overseas Travel	608,377	-	409,510
Trading	176,630	-	283,698
Transport (Local)	18,419	20,000	17,042
	1,629,653	62,000	1,605,972
Surplus/ (Deficit) for the year Locally raised funds	1,005,748	983,404	1,078,988

In March 2019 33 senior rugby students, 3 teachers and a physiotherapist undertook a trip to Argentina and were hosted by a school who visited TBC in 2018 thus fostering global connections. The goals were to provide the boys with an international experience and expose them to the Argentine Culture. The boys were billeted throughout the tour. The group raised their money through individual work, personal contributions and team fundraising.

In April 2019 a multi sports trip of 17 Football boys, 13 Hockey boys, 12 boys who were in the Spanish class, 5 tennis players, and 5 teachers travelled to Argentina. The goals were to provide the boys with an international sporting experience and expose them to the Argentine Culture. The Spanish class was immersed in daily school life throughout the trip. The boys were billeted throughout the tour. The group raised their money through individual work, personal contributions and team fundraising.

In July 2019 15 TBC cricketers made up of players from the 1st, 2nd and 3rd XI's plus 3 teachers and parents embarked on a tour to the UK, the birth place of Cricket and a place where Cricket is held in huge regard. 10 games were played with different schools. The trip was also planned to coincide with the 2019 Cricket World Cup where the boys attended the NZ vs England match in Durham. The boys were treated to some amazing cricket and facilities and experienced the English Culture. They visited Durham, Liverpool, Brighton, London and Paris; and showed what doors can be opened when you play sport. The group raised their money through individual work, personal contributions, and team fundraising.

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	53	52	55
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	899,232	875,720	889,678
Expenses			
Advertising	169,370	134,500	150,425
Commissions	103,013	105,000	108,104
Recruitment			7,901
International Student Levy	19,627	12,000	18,833
Employee Benefit - Salaries	199,195	199,000	199,784
Other Expenses	44,941	45,200	22,894
	536,146	495,700	507,941
<i>Surplus/ (Deficit) for the year International Students'</i>	363,086	380,020	381,737

During the year ended December 2019 the International Director traveled to China, Vietnam, Korea, Hong Kong, Italy and Germany, and the Principal traveled to Hong Kong and Japan at a total cost of \$58,800 for the purpose of recruiting new students to the school. The travel was funded from the net surplus from international student fees revenue.

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	1,408,935	1,032,094	1,025,890
Equipment Repairs	28,165	97,161	47,770
Information and Communication Technology	36,825	43,500	30,608
Extra-Curricular Activities	293,773	293,700	333,266
Library Resources	8,408	11,000	11,615
Employee Benefits - Salaries	11,586,648	11,041,000	11,140,605
Staff Development	25,286	20,000	21,584
	13,388,040	12,538,455	12,611,338

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	9,993	10,000	8,958
Board of Trustees Fees	4,685	7,000	4,830
Board of Trustees Expenses	45,469	48,000	31,918
Intervention Costs & Expenses	-	-	-
Communication	33,949	35,000	42,930
Consumables	21,599	33,700	25,429
Operating Lease	29,790	48,000	(19,031)
Legal Fees	420	5,000	3,309
Other	7,056	85,500	59,899
Employee Benefits - Salaries	1,127,341	1,154,000	1,136,059
Insurance	44,875	28,000	43,542
Service Providers, Contractors and Consultancy	378,739	381,000	125,315
	1,703,916	1,835,200	1,463,158

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	47,078	34,500	111,382
Consultancy and Contract Services	10,000	10,000	9,167
Cyclical Maintenance Provision	120,317	70,000	59,462
Grounds	80,208	70,000	92,147
Heat, Light and Water	230,644	194,000	210,979
Rates	23,006	20,500	18,889
Repairs and Maintenance	195,756	213,000	277,272
Use of Land and Buildings	2,289,878	2,200,000	2,189,750
Security	20,544	25,000	23,451
Employee Benefits - Salaries	235,413	240,000	524,518
	3,252,844	3,077,000	3,517,017

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

8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	100,844	100,000	100,844
Furniture and Equipment	263,923	300,000	269,871
Information and Communication Technology	154,375	200,000	160,584
Motor Vehicles	37,543	40,000	40,551
Textbooks	18,635	20,000	16,055
Leased Assets	250,519	175,000	263,790
Library Resources	11,832	10,000	10,919
	837,671	845,000	862,614

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	272,717	893,361	283,415
Bank Call Account	477,720	-	247,450
Short-term Bank Deposits	523,014	-	810,680
Cash and cash equivalents for Cash Flow Statement	1,273,451	893,361	1,341,545

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

Of the \$1,273,451 Cash and Cash Equivalents, \$54,908 is held by the School on behalf of the Kahui Ako cluster. See note 21 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	127,995	120,000	133,025
Interest Receivable	33,000	30,000	28,000
Teacher Salaries Grant Receivable	781,495	750,000	750,732
	942,490	900,000	911,757
Receivables from Exchange Transactions	160,995	150,000	161,025
Receivables from Non-Exchange Transactions	781,495	750,000	750,732
	942,490	900,000	911,757

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	16,554	-	21,038
School Uniforms	143,718	140,000	121,940
	160,272	140,000	142,978

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	1,770,000	1,300,000	1,030,000
Total Investments	1,770,000	1,300,000	1,030,000

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	2,925,218	-	-	-	(100,844)	2,824,374
Furniture and Equipment	745,486	228,070	(80)	-	(263,923)	709,553
Information and Communication	348,995	49,846	(3,549)	-	(154,375)	240,917
Motor Vehicles	105,805	-	-	-	(37,543)	68,262
Textbooks	17,283	24,120	-	-	(18,635)	22,768
Leased Assets	534,509	40,891	-	-	(250,519)	324,881
Library Resources	76,430	19,633	(1,404)	-	(11,832)	82,827
Balance at 31 December 2019	4,753,726	362,560	(5,033)	-	(837,671)	4,273,582

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

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	4,382,161	(1,557,800)	2,824,374
Furniture and Equipment	5,106,875	(4,397,306)	709,553
Information and Communication	1,263,930	(1,023,013)	240,917
Motor Vehicles	375,037	(306,776)	68,262
Textbooks	55,904	(33,137)	22,768
Leased Assets	1,048,050	(723,169)	324,881
Library Resources	177,250	(94,424)	82,827
Balance at 31 December 2019	12,409,207	(8,135,625)	4,273,582

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	2,976,141	49,921	-	-	(100,844)	2,925,218
Furniture and Equipment	796,379	219,719	(740)	-	(269,871)	745,487
Information and Communication Technology					(160,584)	348,995
Technology	477,986	36,668	(5,075)	-		
Motor Vehicles	58,790	87,566	-	-	(40,551)	105,805
Textbooks	13,278	20,059	-	-	(16,055)	17,281
Leased Assets	123,042	675,257	-	-	(263,790)	534,509
Library Resources	69,213	20,722	(2,587)	-	(10,919)	76,429
Balance at 31 December 2018	4,514,829	1,109,912	(8,402)	-	(862,614)	4,753,724

The net carrying value of equipment held under a finance lease is \$537,509 (2017: \$123,042)

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	4,381,820	(1,456,602)	2,925,218
Furniture and Equipment	5,394,856	(4,649,369)	745,487
Information and Communication Technology	1,517,290	(1,168,295)	348,995
Motor Vehicles	375,037	(269,232)	105,805
Textbooks	48,162	(30,881)	17,281
Leased Assets	1,007,159	(472,650)	534,509
Library Resources	160,567	(84,138)	76,429
Balance at 31 December 2018	12,884,891	(8,131,167)	4,753,724

14. Intangible Assets

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

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2018	95,350	-	95,350
Balance at 31 December 2018/1 January 2019	95,350	-	95,350
Balance at 31 December 2019	95,350	-	95,350
Accumulated Amortisation and impairment losses			
Balance at 1 January 2018	95,350	-	95,350
Balance at 31 December 2018/1 January 2019	95,350	-	95,350
Balance at 31 December 2019	95,350	-	95,350

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 (2018 \$NIL)

15. Accounts Payable

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	282,528	200,000	204,540
Accruals	171,666	150,000	168,162
Employee Entitlements - Salaries	781,495	750,000	752,240
Employee Entitlements - Leave Accrual	9,849	-	12,689
	1,245,538	1,100,000	1,137,631
Payables for Exchange Transactions	1,202,511	1,100,000	1,093,910
Payables for Non-exchange Transactions - Taxes Payable (PAYE)	43,027	-	43,721
	1,245,538	1,100,000	1,137,631

The carrying value of payables approximates their fair value.

16. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
International Student Fees	615,116	-	537,639
Other	471,809	900,000	362,410
	<u>1,086,925</u>	<u>900,000</u>	<u>900,049</u>

17. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	636,208	630,000	621,760
Increase/ (decrease) to the Provision During the Year	120,317	70,000	52,668
Use of the Provision During the Year	(34,838)	(50,000)	(38,220)
Provision at the End of the Year	<u>721,687</u>	<u>650,000</u>	<u>636,208</u>
Cyclical Maintenance - Current	91,263	100,000	97,916
Cyclical Maintenance - Term	630,424	550,000	538,292
	<u>721,687</u>	<u>650,000</u>	<u>636,208</u>

18. Painting Contract Liability

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Current Liability	-	40,000	39,536
Non Current Liability	-	-	-
	<u>-</u>	<u>40,000</u>	<u>39,536</u>

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

19. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	270,491	250,000	264,004
Later than One Year and no Later than Five Years	81,485	300,000	311,179
Later than Five Years	-	-	-
	<u>351,976</u>	<u>550,000</u>	<u>575,183</u>

20. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	430,319	320,000	319,732
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>430,319</u>	<u>320,000</u>	<u>319,732</u>

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

21. Funds Held on Behalf of Kahui Ako Cluster

TBC is the lead school and holds funds on behalf of the Kahui Ako cluster, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held at Beginning of the Year	43,850	47,457	42,505
Funds Received from Cluster Members	51,116	65,930	61,509
Funds Received from MoE	25,083	6,713	8,000
Funds Spent on Behalf of the Cluster	(65,141)	(80,100)	(68,164)
Funds Held at Year End	<u>54,908</u>	<u>40,000</u>	<u>43,850</u>

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

Current Assets

Cash at bank	54,908	-	43,850
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Non Current Assets

Property Plant and Equipment	-	-	-
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Current Liabilities

Operating Creditors	-	-	-
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Non Current Liabilities

Borrowings	-	-	-
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Equity

	<u>54,908</u>	<u>-</u>	<u>43,850</u>
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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 trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,685	4,830
Full-time equivalent members	0.11	0.12
<i>Leadership Team</i>		
Remuneration	2,716,785	2,354,535
Full-time equivalent members	26	24
Total key management personnel remuneration	2,721,470	2,359,365
Total full-time equivalent personnel	26.11	24.12

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200-210	200-210
Benefits and Other Emoluments	30-35	30-35
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
130-140	1	1
110-120	2	1
100-110	5	3
	8	5

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

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed

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

25. Commitments

(a) Capital Commitments

Capital commitments at 31 December 2019 NIL (2018: \$40,890)

(b) Operating Commitments

Operating commitments at 31 December 2019 NIL (2018: NIL)

26. 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.

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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	1,273,451	893,361	1,341,545
Receivables	942,490	900,000	911,757
Investments - Term Deposits	1,770,000	1,300,000	1,030,000
Total Financial assets measured at amortised cost	<u>3,985,941</u>	<u>3,093,361</u>	<u>3,283,302</u>

Financial liabilities measured at amortised cost

Payables	1,202,511	1,100,000	1,093,910
Finance Leases	339,146	550,000	547,192
Painting Contract Liability	-	40,000	39,536
Total Financial Liabilities Measured at Amortised Cost	<u>1,541,657</u>	<u>1,690,000</u>	<u>1,680,638</u>



28. Comparatives

There have been a number of prior period comparatives between locally raised fund and administration expense balances which have been reclassified to make disclosure consistent with the current year.

29. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure. At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

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

30. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

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

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



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAUARNGA BOYS COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019 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 14 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 29 on page 22 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

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.

PARTNERS:

Fraser Lellman CA
Donna Taylor CA

Kenneth Brown CA
Paul Manning CA

Janine Hellyer CA

Jenny Lee CA

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

Responsibilities of the Board of Trustees for the financial statements

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

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

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, 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

ANALYSIS OF VARIANCE

2019



**TAURANGA
BOYS' COLLEGE**

Best for Boys | Tama Tū Tama Ora

Reporting on Achievement

Analysis of Variance 2019

- 1.1 *Student Learning - Academic Achievement of All Boys*
- 1.2 *Student Learning - Academic Achievement of Maori Boys*
- 1.3 *Student Learning - Academic Achievement of Pacific People*
- 1.4 *Student Learning - Academic Achievement of Priority Learners*
- 1.5 *Equity and Excellence*
- 1.6 *Student Learning - Academic Excellence*
- 1.7 *Student Learning - Attendance / Engagement*

2019 TARGET 1.1: STUDENT LEARNING – Academic Achievement **TARGET: To raise the level of achievement for boys in NCEA**

1.1 Academic Achievement of All Boys

2019 Results

Level 1	Target	Level 2	Target	Level 3	Target	UE	Target
76.9	> 80%	83.6	>85%	70.6	>70%	50.2	>60%
Level 1 Literacy		92	Target >90%				
Level 1 Numeracy		85.8	Target >90%				

Baseline Data

		2015	2016	2017	2018	2019
LEVEL 1	All	79.2	78.8	73.9	72.4	76.9
	European	88.7	85.3	80.1	80.4	81.7
	Māori	61.9	67.5	56.3	55.2	60
	Pacific	85	33.3	35.7	57.1	63
	Literacy	93.3	88.9	87	84.4	92
	Numeracy	89.7	87.1	87.2	83.2	85.8
LEVEL 2	All	83	80.5	88.9	82	83.6

LEVEL 3	European	87.6	86.9	88.7	83.7	85.1
	Māori	69	68	91.2	78.2	87.5
	Pacific	53.3	76.2	80	50	84.2
	All	63.9	79	64.9	66.7	70.6
	European	72.7	80.4	69.5	71.3	73.5
YR 13 UE	Māori	42.4	70	55.9	54.1	63.5
	Pacific	42.1	71.4	42.1	44.4	37.5
	All	50	59.9	43	43.2	50.2
	European	57.4	64.3	51.2	50.2	55.1
	Māori	34.8	42	25	24.3	28.8
	Pacific	26.3	42.9	21.1	11.1	12.5

COMMENTS

Note: 2019 Comparative data not available at this time so we are not able to compare the academic achievement of students at Tauranga Boys' College with the following groups:

- NZ average
- NZ boys
- NZ boys in co-educational schools
- NZ boys in Boys' schools
- NZ boys - Decile 6

These comparisons will take place once this data is available.

Generally academic achievement shows a very pleasing improvement across all levels of NCEA including literacy and numeracy from results in 2018 with proximity to the targets set. Especially pleasing is the NCEA Level 3 result which is better than the target and the NCEA Level 2 result which is comparable. Level 1 literacy has also bettered the target set.

2019 TARGET 1.2: STUDENT LEARNING – Academic Achievement of Maori

NB: results used are provisional enrolment based

1.2 Academic Achievement of Maori Boys

2019 Results - Maori

Level 1	Target	Level 2	Target	Level 3	Target	UE	Target
60	>80%	87.5	>85%	63.5	>70%	28.8	>60%
Level 1 Literacy		83.2	Target >90%				
Level 1 Numeracy		70	Target >90%				

Baseline Data - Maori

	2015	2016	2017	2018	2019
LEVEL 1	61.9	67.5	56.3	55.2	60
LEVEL 2	69	68	91.2	78.2	87.5
LEVEL 3	42.4	70	55.9	54.1	63.5
UE	34.8	42	25	24.3	28.8

COMMENTS

2019 Comparative data not available at this time so we are not able to compare academic achievement of Maori boys at Tauranga Boys' College with national comparisons limiting our degree of analysis.

Academic achievement of Maori boys at Tauranga Boys' College shows a considerable improvement over 2018 and over 2017 in a number of areas. Especially pleasing is the NCEA Level 2 results of 87.5% showing a high level of achievement for Maori in two out of the last 3 years. This improvement will be the result of a number of deliberate acts to raise achievement of Maori across a number of measures, in this case academic achievement. The result at Level 3 is also a significant increase over recent years. The UE result is disappointing and will need further investigation. A more accurate measure will be how many of these Maori boys at Level 3 had access to courses that would give them access to UE as well as investigating the number of who sought to achieve UE. The college has a number of programmes to grow knowledge and aspiration about striving to access University education. Not revealed in this data is the strong success of Maori boys who are part of Te Whanau a Aronui who outperform Maori boys in the mainstream.

These deliberate actions and strategies are outlined in the actions section of this report.

2019 TARGET 1.3: STUDENT LEARNING – Academic Achievement of Pacific People

NB: results used are provisional enrolment based

1.3 Academic Achievement of Pacific People

2019 Results - Pacific people

Level 1	Target	Level 2	Target	Level 3	Target	UE	Target
63	>80%	84.2	>85%	37.5	>70%	12.5	>60%
Level 1 Literacy		81.5	Target >90%				
Level 1 Numeracy		92.6	Target >90%				

Baseline Data - Pacific People

	2015	2016	2017	2018	2019
LEVEL 1	85	33.3	35.7	57.1	63
LEVEL 2	53.3	76.2	80	50	84.2
LEVEL 3	42.1	71.5	42.1	44.4	37.5
UE	26.3	42.9	21.1	11.1	12.5

COMMENTS

2019 comparative data is not available at this time so we are not able to compare academic achievement of Pacific boys at Tauranga Boys' College with national comparison limiting our degree of analysis.

It is important to note small numbers of Pacific people can lead to significant variation in results. Especially pleasing is the best ever result in NCEA Level 2 and the strongest result at Level 1 for a number of years. This is evidence of a number of deliberate acts to support Pacific boys at the college as outlined in the actions section of this target. Attention needs to be given to the low achievement of NCEA Level 3 and UE and targeted strategies put in place to improve these results.

2019 TARGET 1.5: STUDENT LEARNING – Equity and Excellence

1.5 Equity and Excellence

In 2019, Tauranga Boys College chose to set Equity Ratio targets for the first time, in an attempt to redress inequitable outcomes for Māori and Pacific students.

The intended actions to reach the targets were:

Identify and target Māori and Pacific students who are not achieving assessments in MAA1, VL1, MAA2, VL2.

Proactively support pathways to success for at-risk boys through:

- achievement support
- alternate programme(s)
- access to equipment / uniform / transport / BYOD / social support

Identify and target Māori and Pacific students who are not achieving assessments L3 and/ or have poor attendance

Proactively support pathways to success for at-risk boys through:

- academic support
- alternate training
- employment
- tertiary pathways

Tauranga Boys' College has a vision that students will be "better than before" in all domains. Better than before is the underlying principle which permeates all strategic objectives.

Therefore the Equity Ratio targets we set were to be "better than before" - ie: Greater than the 2018 Equity Ratio outcomes.

The method of calculating Equity Ratio is thus:

If Maori (or Pacific) students gained 75% on X and Other students gained 100% of X, then the equity ratio is calculated as:

75 divided 100% = 75% (of equity)

If Maori (or Pacific) students gained 55% on X and Other students gained 90% of X, then the equity ratio is calculated as:

55 divided 90% = 61% (of equity)

If Maori (or Pacific) students gained 90% on X and Other students gained 78% of X, then the equity ratio is calculated as:

90 divided 78% = 115% (of equity)

If Maori (or Pacific) students gained 82% on X and Other students gained 82% of X, then the equity ratio is calculated as:

82 divided 82% = 100% (of equity)

Source: "How Equity is Calculated" - Nancy Macfarlane, Manager Education Bay of Plenty – Waiariki, Ministry of Education, 18 September 2018.

Baseline Data**2019 TARGETS****Māori Equity Ratio****Level 1****2019 - 73.4%****Target exceeded**

2018 - 73.0%

Greater than 73%

2017 - 68.3%

2016 - 78.5%

2015 - 71.4%

Level 3**2019 - 86.4%****Target exceeded**

2018 - 76.8%

Greater than 76.8%

2017 - 78.1%

2016 - 85.8%

2015 - 58.2%

Level 2**2019 - 102.8%****Target exceeded**

2018 - 86.4%

Greater than 86.4%

2017 - 102.4%

2016 - 77.6%

2015 - 80.7%

U.E**2019 - 52.3%****Target exceeded**

2018 - 51.9%

Greater than 51.9%

2017 - 47.5%

2016 - 64.4%

2015 - 60.9%

Baseline Data**2019 TARGETS****Pacific Equity Ratio****Level 1****2019 - 77.1%****Target exceeded**

2018 - 45.2%

Greater than 45.2%

2017 - 44.5%

2016 - 39.4

2015 - 100.1%

Level 3**2019 - 51%****Target exceeded**

2018 - 47.9%

Greater than 47.9%

2017 - 60.6%

2016 - 89.3%

2015 - 57.8%

Level 2**2019 - 98.9%**

2018 - 86.4%

Greater than 86.4%

2017 - 93.0%

2016 - 87.2%

2015 - 61.2%

U.E**2019 - 22.7%****Target not met**

2018 - 23.3%

Greater than 23.3%

2017 - 41.2%

2016 - 67.0%

2015 - 46.1%

COMMENT

It is very pleasing to report that our targets were exceeded in all but one area - Pacific UE. In this case, it is worth noting that there were three Pacific Students who had a UE pathway course, of which one student attained UE.

Tauranga Boys' College is committed to reducing inequity in all academic outcomes. Twice in the past three years, NCEA Level 2 has exceeded 100% for our Māori students, and in nearly all other measures, inequity is reducing.

2019 TARGET 1.6: STUDENT LEARNING – Academic Excellence. Rise the level of Merit / Excellence Endorsements

1.6 Academic Excellence

2019 Results

Excellence / Merit target to increase % in all NCEA Levels at or better than NZ average, Decile 4-7 boys.

		2015	2016	2017	2018	2019
LEVEL 1	Excellence	7.8	18.2	16.7	20.9	14.7
	Merit	31.8	32	34.3	35.9	30.1
LEVEL 2	Excellence	6.6	5.2	9.4	7.9	15.7
	Merit	26	19	23.1	26.1	26.7
LEVEL 3	Excellence	5.6	3.7	5.5	8.9	15.6
	Merit	22.9	22.3	22.7	19.3	22.2
NZ Scholarships		28	21	26	37	24

COMMENTS

2019 comparative data not available at this time. Certificate endorsement rates show a significant increase at both Level 2 and Level 3. Targeted support of at risk students at Level 1 will have reduced the overall endorsement rate at this level. This increase in endorsement at Level 2 and Level 3 will be due to reduced assessment leading to a focus on quality of achievement, rather than quantity of credits, improving the depth of learning and achievement. A change to the timetable will have also impacted on this success. With 42.3% of students passing NCEA Level 2 with endorsement and 37.8% of students at NCEA Level 3, the level of endorsement at both these levels is the best ever. NZ Scholarship results were pleasing and the highest of any secondary school in the Bay of Plenty.

2019 TARGET 1.7: STUDENT LEARNING – Attendance / Engagement

1.7 Attendance / Engagement

Baseline data and Annual Target

Rates %	2016	2017	2018	2019	2020 Targets
Attendance %	87.7%	83.5%	84.9%	84.0%	above 90%
Unjustified Absences %	6.6%	7.7%	7.5%	8.3%	below 5%

COMMENTS

The college's whole school attendance rates have declined by .9% since 2018, with all the main ethnic groups showing this trend. Areas to focus on will be on the 'unjustified absences' of our Maori, Samoan and Tonga students.

Kiwisport Funding 2019

Kiwisport is a Government funding initiative to support student's participation in organised sport. In 2019, Tauranga Boys College received \$44,725 excluding GST.

This funding was used to support the Sports Co-ordinator and Sports Administrator's salaries to develop and maintain effective and efficient relationships and communication links with all stakeholders of sport at the college:

- To develop, maintain, and oversee a consistent marketing and public relations programme for all sports.
- To implement mandated sport policies and procedures, and to develop new policies, practices and procedures as required.
- To maintain and to develop the human resources required to support the school sports programmes.
- To manage and maintain a budget, to identify the core costs of sport for the college, and to target, negotiate with and solicit funding from charitable trusts and other reputable providers of funding.