



Otamatea High School

Te Kura Tuarua o Otamatea

Annual Report & Financial Statements 2021



Otamatea High School

Te Kura Tuarua o Otamatea

Financial Statements
for the year ended
31 December 2021

Otamatea High School

Annual Report

For the year ended 31 December 2021

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Otamatea High School
Statement of Responsibility
For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Llewellyn Smart

Full Name of Presiding Member



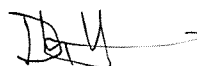
Signature of Presiding Member

31 May 2022

Date:

Dirk Smyth

Full Name of Principal



Signature of Principal

31 May 2022

Date:

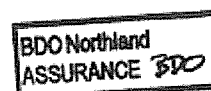
Otamatea High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	6,453,504	5,766,935	5,999,716
Locally Raised Funds	3	432,715	310,125	397,511
Interest Income		1,936	8,200	9,352
		<u>6,888,155</u>	<u>6,085,260</u>	<u>6,406,579</u>
Expenses				
Locally Raised Funds	3	241,888	265,865	195,058
Learning Resources	4	4,874,175	4,298,355	4,255,477
Administration	5	472,255	452,705	419,748
Finance		8,283	13,000	10,975
Property	6	1,161,004	1,178,065	1,341,361
Depreciation	11	202,016	190,000	194,598
Loss on Disposal of Property, Plant and Equipment		3	-	9,163
		<u>6,959,624</u>	<u>6,397,990</u>	<u>6,426,380</u>
Net Surplus / (Deficit) for the year		(71,469)	(312,730)	(19,801)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(71,469)</u>	<u>(312,730)</u>	<u>(19,801)</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.

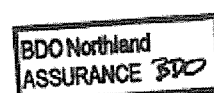


Otamatea High School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Balance at 1 January		1,758,592	1,758,592	1,760,593
Total comprehensive revenue and expense for the year		(71,469)	(312,730)	(19,801)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		3,275	-	17,800
Equity at 31 December		1,690,398	1,445,862	1,758,592
Retained Earnings		1,570,628	1,326,092	1,638,822
Reserves		119,770	119,770	119,770
Equity at 31 December		1,690,398	1,445,862	1,758,592

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.



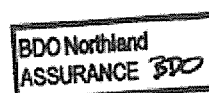
Otamatea High School

Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	7	885,949	303,897	784,588
Accounts Receivable	8	429,715	336,104	442,187
GST Receivable		60,640	-	-
Funds Due from the Ministry of Education for Capital Works Projects	16	9,484	-	-
Prepayments		32,993	30,244	30,244
Inventories	9	1,356	2,090	2,090
Investments	10	-	216,231	216,231
		<u>1,420,137</u>	<u>888,566</u>	<u>1,475,340</u>
Current Liabilities				
GST Payable		-	3,657	3,658
Accounts Payable	12	547,670	474,932	474,930
Revenue Received in Advance	13	149,230	-	119,457
Provision for Cyclical Maintenance	14	175,701	60,871	60,871
Finance Lease Liability	15	41,745	63,820	63,820
Funds Held for Capital Works Projects	16	-	-	171,723
Funds held on behalf of Transport Network Group	17	127,343	-	122,864
		<u>1,041,689</u>	<u>603,280</u>	<u>1,017,323</u>
Working Capital Surplus/(Deficit)		<u>378,448</u>	<u>285,286</u>	<u>458,017</u>
Non-current Assets				
Property, Plant and Equipment	11	1,488,089	1,450,302	1,590,301
		<u>1,488,089</u>	<u>1,450,302</u>	<u>1,590,301</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	159,579	237,300	237,300
Finance Lease Liability	15	16,560	52,426	52,426
		<u>176,139</u>	<u>289,726</u>	<u>289,726</u>
Net Assets		<u>1,690,398</u>	<u>1,445,862</u>	<u>1,758,592</u>
Equity		<u>1,690,398</u>	<u>1,445,862</u>	<u>1,758,592</u>

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



Otamatea High School

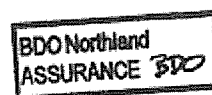
Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		2,034,422	1,925,520	1,829,395
Locally Raised Funds		494,685	296,751	450,492
Goods and Services Tax (net)		(64,298)	(1)	69,435
Funds Administered on Behalf of Third Parties		4,479	(122,864)	(8,992)
Payments to Employees		(1,341,114)	(1,292,715)	(1,198,694)
Payments to Suppliers		(900,746)	(1,060,858)	(865,225)
Cyclical Maintenance Payments in the year		(742)	-	(13,355)
Interest Paid		(8,283)	(13,000)	(10,975)
Interest Received		2,407	8,200	11,658
Net cash from/(to) Operating Activities		220,810	(258,967)	263,739
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(67,234)	(424,781)	(172,229)
Proceeds from Sale of Investments		216,231	-	-
Net cash from/(to) Investing Activities		148,997	(424,781)	(125,195)
Cash flows from Financing Activities				
Furniture and Equipment Grant		3,275	-	17,800
Finance Lease Payments		(90,514)	374,780	(54,438)
Funds Held for Capital Works Projects		(181,207)	(171,723)	173,083
Net cash from/(to) Financing Activities		(268,446)	203,057	136,445
Net increase/(decrease) in cash and cash equivalents		101,361	(480,691)	274,989
Cash and cash equivalents at the beginning of the year	7	784,588	784,588	509,599
Cash and cash equivalents at the end of the year	7	885,949	303,897	784,588

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.



Otamatea High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Reporting Entity

Otamatea High School (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 (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the 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.

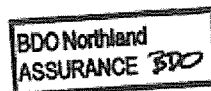
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision of 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.



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

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.

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

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

Other Grants

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

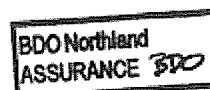
Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

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.

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.

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.

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

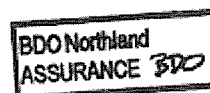
A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower 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:

Board owned buildings	40 years
Furniture and equipment	10-15 years
Information and communication technology	5 years
Motor vehicles	5-10 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Impairment of property, plant, and equipment

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 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.

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.

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.

Revenue Received in Advance

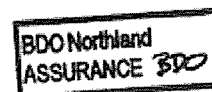
Revenue received in advance relates revenue where there are unfulfilled obligations for the School to provide services in the future. The funds are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to this revenue received in advance, should the School be unable to provide the services to which they relate.

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 Comprehensive Revenue and Expense.

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



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Shared Funds

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

Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

Financial Instruments

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

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

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.

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 Statement of Cash Flows.

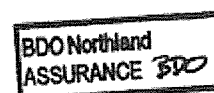
Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

2 Government Grants

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational Grants	1,600,078	1,501,585	1,434,755
Teachers' Salaries Grants	3,333,346	3,080,955	3,175,334
Use of Land and Buildings Grants	732,254	760,460	930,395
Other MoE Grants	596,115	176,160	294,798
Other Government Grants	191,711	247,775	164,434
	<u>6,453,504</u>	<u>5,766,935</u>	<u>5,999,716</u>

The School has opted in to the donations scheme for this year. Total amount received was \$72,000. (2020 : \$60,900 was received)

Other MoE Grants includes an amount of \$353,482 received from the Ministry for the Healthy Lunches Programme. The corresponding expense of \$353,482 is included in Note 4 - Learning Resources - Curricular.

3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations & Bequests	17,594	-	29,593
Fees for Extra Curricular Activities	243,626	123,370	190,454
Trading	41,388	56,550	52,833
Other Revenue	130,107	130,205	124,631
	<u>432,715</u>	<u>310,125</u>	<u>397,511</u>
Expenses			
Extra Curricular Activities Costs	145,982	145,310	113,051
Trading	49,205	56,725	55,634
Other Locally Raised Funds Expenditure	46,701	63,830	26,373
	<u>241,888</u>	<u>265,865</u>	<u>195,058</u>
Surplus/ (Deficit) for the year Locally Raised Funds	<u>190,827</u>	<u>44,260</u>	<u>202,453</u>



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

4 Learning Resources

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	658,668	345,185	298,646
Equipment Repairs	19,888	12,750	12,767
Information and Communication Technology	4,338	26,870	23,702
Extra-Curricular Activities	-	-	-
Library Resources	1,145	500	3,035
Employee Benefits - Salaries	4,179,148	3,892,050	3,901,126
Staff Development	10,988	21,000	16,201
Overseas Travel	-	-	-
	<u>4,874,175</u>	<u>4,298,355</u>	<u>4,255,477</u>

In 2021 curricular expenses includes the MOE Healthy lunch scheme of \$353,482. The corresponding revenue is in other MOE grants.

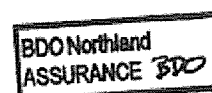
5 Administration

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	8,870	8,500	8,290
Board Fees	3,191	4,635	2,931
Board Expenses	47,379	44,765	22,990
Communication	17,327	15,295	11,396
Consumables	32,681	23,000	22,112
Operating Lease	10,710	9,015	9,145
Other	61,258	58,220	55,761
Employee Benefits - Salaries	267,865	267,270	265,632
Insurance	16,266	15,295	14,860
Service Providers, Contractors and Consultancy	6,708	6,710	6,631
	<u>472,255</u>	<u>452,705</u>	<u>419,748</u>

6 Property

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	23,234	25,190	21,299
Cyclical Maintenance Expense	37,851	51,500	49,009
Grounds	9,221	12,500	17,864
Heat, Light and Water	45,090	55,500	42,953
Rates	12,845	13,755	14,443
Repairs and Maintenance	81,780	42,810	43,818
Use of Land and Buildings	732,254	760,460	930,395
Security	759	2,000	3,992
Employee Benefits - Salaries	217,970	214,350	217,588
	<u>1,161,004</u>	<u>1,178,065</u>	<u>1,341,361</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

7 Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	669,068	203,897	684,588
Short-term Bank Deposits	216,881	100,000	100,000
Cash and cash equivalents for Statement of Cash Flows	885,949	303,897	784,588

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

Of the \$885,949 Cash and Cash Equivalents, \$127,343 is held by the School on behalf of the Otamatea Transport cluster. See note 17 for details of how the funding received for the cluster has been spent in the year.

8 Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	2,300	-	2,583
Receivables from the Ministry of Education	65,820	-	103,500
Transport Receivable	84,009	78,243	78,243
Interest Receivable	-	471	471
Teacher Salaries Grant Receivable	277,586	257,390	257,390
	429,715	336,104	442,187
Receivables from Exchange Transactions	86,309	78,714	81,297
Receivables from Non-Exchange Transactions	343,406	257,390	360,890
	429,715	336,104	442,187

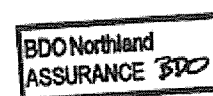
9 Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	121	-	124
School Uniforms	1,235	2,090	1,633
Canteen	-	-	333
	1,356	2,090	2,090

10 Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset	-	216,231	216,231
Short-term Bank Deposits	-	216,231	216,231
Total Investments	-	216,231	216,231



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

11 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2021						
Land	116,200	-	-	-	-	116,200
Buildings	879,888	-	-	-	(33,880)	846,008
Furniture and Equipment	374,805	44,085	-	-	(54,627)	364,263
Information and Communication Technology	75,086	20,606	-	-	(27,698)	67,994
Motor Vehicles	43,095	-	-	-	(12,582)	30,513
Leased Assets	98,042	32,573	-	-	(67,504)	63,111
Library Resources	3,185	2,543	(3)	-	(5,725)	-
Balance at 31 December 2021	1,590,301	99,807	(3)	-	(202,016)	1,488,089

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	116,200	-	116,200	116,200	-	116,200
Buildings	1,355,194	(509,186)	846,008	1,355,194	(475,306)	879,888
Furniture and Equipment	1,176,537	(812,274)	364,263	1,132,451	(757,646)	374,805
Information and Communication Technology	386,703	(318,709)	67,994	382,760	(307,674)	75,086
Motor Vehicles	77,065	(46,552)	30,513	77,065	(33,970)	43,095
Leased Assets	407,353	(344,242)	63,111	374,780	(276,738)	98,042
Library Resources	5,459	(5,459)	-	54,308	(51,123)	3,185
Balance at 31 December	3,524,511	(2,036,422)	1,488,089	3,492,758	(1,902,457)	1,590,301

The net carrying value of equipment held under a finance lease is \$63,111 (2020: \$98,042).

The net carrying value of motor vehicles held under a finance lease is \$30,513 (2020: \$43,095).

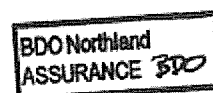
12 Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	222,577	161,139	161,136
Accruals	9,209	8,628	8,629
Employee Entitlements - Salaries	281,851	261,035	261,035
Employee Entitlements - Leave Accrual	34,033	44,130	44,130
	547,670	474,932	474,930
Payables for Exchange Transactions	547,670	474,932	474,930
	547,670	474,932	474,930

The carrying value of payables approximates their fair value.

13 Revenue Received in Advance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other Revenue in Advance	149,230	-	119,457
	149,230	-	119,457



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

14 Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	298,171	298,171	254,399
Increase/(decrease) to the Provision During the Year	37,851	60,871	57,127
Use of the Provision During the Year	(742)	(60,871)	(13,355)
Provision at the End of the Year	335,280	298,171	298,171
Cyclical Maintenance - Current	175,701	60,871	60,871
Cyclical Maintenance - Term	159,579	237,300	237,300
	335,280	298,171	298,171

15 Finance Lease Liability

Minimum lease payments payable (includes interest portion):

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	45,209	69,908	69,908
Later than One Year and no Later than Five Years	17,252	54,565	54,565
Future Finance Charges	(4,156)	(8,227)	(8,227)
	58,305	116,246	116,246
Represented by			
Finance lease liability - Current	41,745	63,820	63,820
Finance lease liability - Term	16,560	52,426	52,426
	58,305	116,246	116,246

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.



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

16 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:

	2021	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Carpark/Courts	Completed	24,147	-	(23,173)	(974)	-
Heating/Lighting/Electrical	Completed	(14,004)	-	(15,215)	29,219	-
Classroom upgrade	In progress	161,580	717,586	(888,650)	-	(9,484)
Totals		171,723	717,586	(927,038)	28,245	(9,484)
Represented by:						
Funds Due from the Ministry of Education						(9,484)
						(9,484)

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Roofing	Completed	924	280,893	(281,817)	-	-
Carpark/Courts	In progress	24,147	-	-	-	24,147
Heating/Lighting/Electrical	In progress	73,600	89,043	(176,647)	-	(14,004)
Classroom upgrade	In progress	(100,032)	542,240	(280,628)	-	161,580
Totals		(1,361)	912,176	(739,092)	-	171,723

17 Funds held on behalf of Transport Network Group

Otamatea High School is the lead school and holds the funds on behalf of the Otamatea Transport cluster, a group of schools funded by the Ministry of Education to share Transport costs.

	2021	2021 Budget (Unaudited)	2020
	Actual \$	\$	Actual \$
Funds Held at Beginning of the Year	122,864	-	131,856
Funds Received from MoE	1,330,926	-	1,400,022
Funds Spent on Behalf of the Cluster	1,207,844	-	1,279,092
Distribution of Funds			
Kaiwaka School	24,629	-	16,890
Maungaturoto School	17,308	-	23,386
Otamatea High School	59,869	-	81,851
Paparoa School	16,797	-	7,795
Funds Held at Year End	127,343	-	122,864

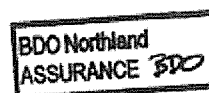
18 Related Party Transactions

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.

Related party disclosure that was not an arm's length transaction is as follows:

Tracey Moring is a partner to the Board Chairperson. During the year her transactions with the Student Support Centre totalled \$45,113.93 (2020: \$Nil).



Otamatea High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

19 Remuneration

Key management personnel compensation

Key management personnel of the School include all Board Members, Principal, Deputy Principal and Assistant Principals.

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	3,191	2,931
Full-time equivalent members	0.37	0.29
<i>Leadership Team</i>		
Remuneration	491,487	395,151
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	494,678	398,082
Total full-time equivalent personnel	4.37	3.29

There are 8 members of the Board excluding the Principal. The Board had held 12 full meetings of the Board in the year. The Board also has Finance and Property that meet monthly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	40-50	150-160
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	20-30	-
<i>Principal 2</i>		
Salary and Other Payments	60-70	-
Benefits and Other Emoluments	0-5	-

Other Employees

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

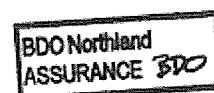
Remuneration \$000	2021 FTE Number	2020 FTE Number
120-130	1	0
110-120	2	2
100-110	9	6
	12	8

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:

	2021 Actual \$30,000	2020 Actual \$15,000
Total	1	1
Number of People		



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

21 Contingencies

There is a personal grievance case pending over an employment matter. The legal view is that there is no validity to the personal grievance.

Possibly there may be personal grievances arising from staff who have had their employment terminated or changed due to not meeting the requirements of the Covid-19 Public Health Response (Vaccination) Order 2021. The insurers have been notified. (Contingent liabilities and assets as at 31 December 2020: 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. 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 2021, a contingent liability for the school may exist.

22 Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2020: nil)

23 Financial Instruments

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

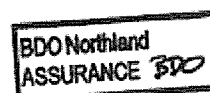
	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	885,949	303,897	784,588
Receivables	429,715	336,104	442,187
Investments - Term Deposits	-	216,231	216,231
Total Financial assets measured at amortised cost	1,315,664	856,232	1,443,006
Financial liabilities measured at amortised cost			
Payables	547,670	474,932	474,930
Finance Leases	58,305	116,246	116,246
Total Financial Liabilities Measured at Amortised Cost	605,975	591,178	591,176

24 Events After Balance Date

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

25 Comparatives

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



OTAMATEA BOARD LISTING

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Occupation	Term expired/expires
Llewellyn Smart	Presiding Member	Re-elected Apr-19	Police officer	Sept-22
Dirk Smyth	Principal			
Geraldine Jenkins	Parent rep	Re-elected Apr-19		Sept-22
Roger Bull	Parent rep	Re-elected Apr-19	Osteopath	Sept-22
Belinda Weber	Parent rep	Elected Apr-19	NZSTA	Sept-22
Kyle van Harlingen	Parent rep	Elected Apr-19	Business owner	Sept-22
Michael Ferguson	Student rep	Elected Sep-20		Sept-21
John Hampshire	Student rep	Elected Sep-21		Sept-22
Wiremu Ngatipa	Staff rep	Elected Jan-21		



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NEW ZEALAND

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF OTAMATEA HIGH SCHOOL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Otamatea High School (the School). The Auditor-General has appointed me, Adelle Wilson using the staff and resources of BDO Northland 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 18, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 (PBE) Standards, Reduced Disclosure Regime

Our audit was completed on 31 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Kiwi Sport Statement, the Statement of Responsibility, the Analysis of Variance report and the list of Trustees, 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.



Adelle Wilson
BDO Northland
On behalf of the Auditor-General
Whangarei, New Zealand



Otamatea High School

Te Kura Tuarua o Otamatea

Analysis of Variance
2022 for the 2021 academic year

Focus: Teaching and Learning				
Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)	
Develop new year 9 cross curricular programmes for implementation in terms 3 and 4	Two cross curricular units developed and used in terms 3 and 4. "Can you survive the Zombie Apocalypse?" and "Discovering the Pacific".	No variance	Two additional cross curricular units to be developed and implemented in 2022 – "Gadgets and Inventions" and "The Kaipara".	
Develop new year 9 OTA certificate for implementation in 2022	Certificate was mostly developed with a few minor details to confirm in 2022.	COVID disrupted full development in 2021	Certificate developed fully and implemented in 2022. Grading for all Y9 assessments this year will use the following descriptors (replacing curriculum levels): Not submitted, Developing, Achieved, Merit, Excellence. Each unit will be worth credits, which will go towards the certificate.	
Gain a schoolwide understanding of the proposed NCEA changes	From a survey of 18 staff members who teach NCEA and were staff members in 2021, 72.2% agree that they have gained an understanding of the proposed NCEA changes. 27.8% disagreed with this statement.	MOE delayed by 1 year the full rollout of the NCEA Change Programme due to COVID	Four MOE Accord teacher only days available in 2022 to further develop teachers' understanding of these changes. The new standards are now scheduled to be implemented in 2024 (Level 1), 2025 (Level 2) and 2026 (Level 3).	
To develop a flexible, targeted and responsive PLD programme	PLD Programme developed but much external PLD was cancelled or postponed due to COVID. However, many staff opted to do 6 month te reo online course.	COVID disruptions	To continue the development a flexible, targeted and responsive PLD programme	
Embed the new professional growth cycle	The new PGC was embedded. This included a minimum of 2 meetings between tuakana and teina, goal setting and tracking, PLD sessions - full staff and individual, documented walkthroughs from HODs and SLT, a PCT programme including formal lesson	No variance	Quality Practice Template to be developed in 2022 to support the new PGC	

	observations, and electronic surveys of all students asking questions about all of their classes, with summaries of this feedback given to both tuakana and teina.			
Develop a sustainable, whole school, strengths-based wellbeing framework which encompasses staff and student wellbeing	A draft framework was developed that incorporates the school's waka symbol, with each paddle representing an area of student wellbeing.	COVID delayed this getting beyond a draft document	The "Pastoral Care team" to now put some more detail into this framework. School counsellor to begin work on staff wellbeing framework based on the PERMAV framework.	
Review student leadership opportunities	Not done	COVID meant this was not prioritised	Review student leadership for 2022	
Begin the documentation of the histories and traditions of the OHS communities.	Librarian started the process of finding and storing old photos and yearbooks.	COVID meant this was not prioritised	Dedicated member of the SLT overseeing this is 2022. The librarian job description will be updated to include this.	
Review our levels of community engagement.	Not done	COVID meant this was not prioritised		
Develop a five-year property plan for the refurbishment of school houses.	This was replaced with an annual maintenance programme, based on budget and priorities. All houses now compliant.	Decided on an annually reviewed maintenance programme given that the BOT have allocated the entire net revenue as budget.	Continue with the annual programme but with additional use of our construction and PI academies	
Upgrade B-block	B-block mostly completed	COVID lockdowns and travel restrictions meant months of delay	To be completed by the end of Term 1	
Appoint a new school principal	Done	None	Onward and upwards	

Kiwisport Funding Report 2021

The Kiwisport grant is received each year through the operations grant entitlement. The school uses this funding to help employ a Sports Coordinator. For 2021 the hours of work for the Sports Coordinator were 30 hours per week, term time only.

The Sports Coordinator's role is to ensure that students have good access to sporting opportunities. In order to ensure that there is adequate provision for the students the Sports Coordinator also applies for additional funding to support her hours of work. Several other funds are also applied for such as the Rural Travel Fund and various local charities to support sport at the school.

The Sports Coordinator submits a report to Sport Northland on an annual basis.

Dirk Smyth
Principal
Otamatea High School