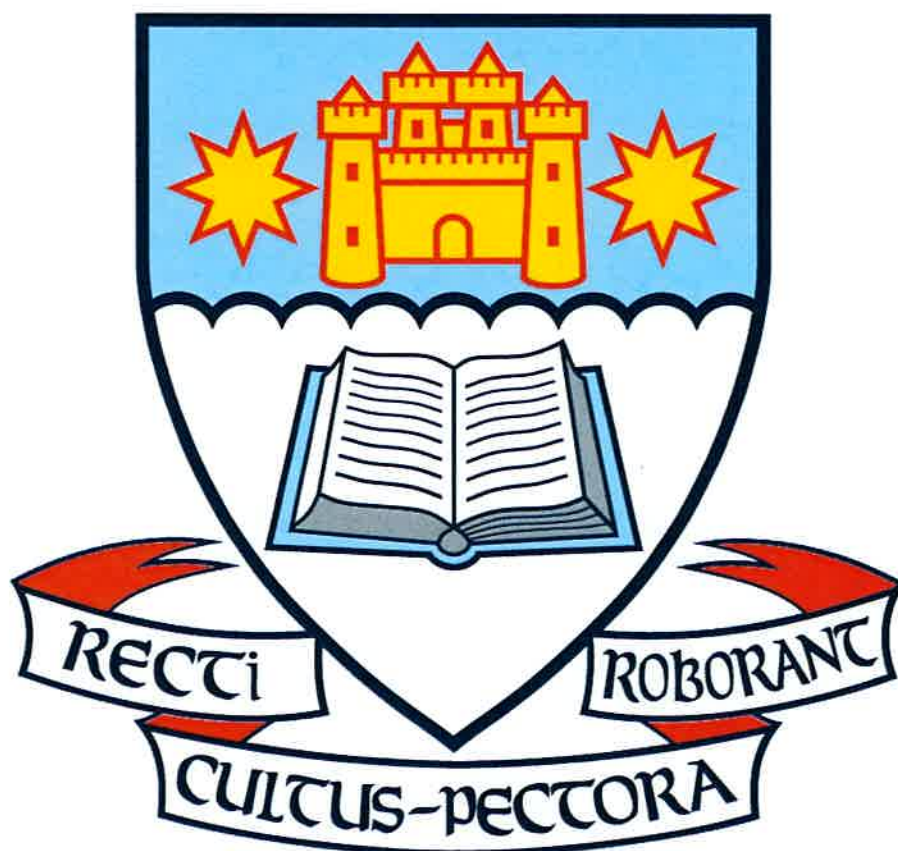


OTAGO BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021



OTAGO BOYS HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 377

Principal: Mr Richard Hall

School Address: 2 Arthur Street, Dunedin, New Zealand

School Postal Address: P O Box 11, Dunedin, New Zealand

School Phone: (03) 477 5527

School Email: school.sec@obhs.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Mr Lawrence Alloo	Presiding Member	Elected	Sep-22
Mr Richard Hall	Rector	Ex Officio	
Dr Anna Campbell	Parent Representative	Re-elected	Sep-22
Mr Brendan Williams	Parent Representative	Elected	Sep-22
Ms Allie Cunninghame	Parent Representative	Re-elected	Sep-22
Dr Megan Gibbons	Parent Representative	Elected	Sep-22
Mr Peter Odgers	Staff Representative	Elected	Sep-22
Sam Gavin	Student Representative	Elected	Sep-22
Kaia Sheehy-Wikio	Student Representative	Elected	Sep-21

Accountant / Service Provider:

The
SchoolOffice

Auditor:

Delloite

OTAGO BOYS HIGH SCHOOL

Annual Report - For the year ended 31 December 2021

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Otago Boys 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.

Lawrence Gordon Allen
Full Name of Presiding Member

[Signature]
Signature of Presiding Member

5/7/22
Date:

Richard John Lancelot Hall
Full Name of Principal

[Signature]
Signature of Principal

5/7/22
Date:

Otago Boys High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	8,052,840	7,786,320	8,185,809
Locally Raised Funds	3	1,356,983	956,940	975,024
Interest Income		7,508	23,000	22,000
Hostel	4	1,900,178	1,766,785	1,725,343
International Students	5	218,182	206,170	372,915
		11,535,691	10,739,215	11,281,091
Expenses				
Locally Raised Funds	3	877,196	653,500	705,834
Hostel	4	1,858,581	1,707,509	1,665,140
International Students	5	129,433	125,020	167,938
Learning Resources	6	6,177,766	5,987,674	5,954,957
Administration	7	512,387	463,953	396,704
Finance		11,524	-	9,367
Property	8	1,625,058	1,577,074	1,920,128
Depreciation	13	252,541	210,000	284,999
Loss on Disposal of Property, Plant and Equipment		20,739	-	1,277
		11,465,225	10,724,730	11,106,344
Net Surplus / (Deficit) for the year		70,466	14,485	174,747
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		70,466	14,485	174,747

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

Otago Boys High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		4,342,483	4,342,483	4,167,736
Total comprehensive revenue and expense for the year		70,466	14,485	174,747
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		38,217	-	-
Equity at 31 December		4,451,166	4,356,968	4,342,483
Retained Earnings		4,451,166	4,356,968	4,342,483
Equity at 31 December		4,451,166	4,356,968	4,342,483

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.

Otago Boys High School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	9	903,391	1,070,007	1,407,751
Accounts Receivable	10	520,573	423,286	423,286
GST Receivable		-	36,273	36,273
Prepayments		20,351	20,611	20,611
Inventories	11	1,481	5,476	5,476
Investments	12	1,021,469	903,820	903,820
		2,467,265	2,459,473	2,797,217
Current Liabilities				
GST Payable		79,917	-	-
Accounts Payable	14	722,449	649,935	649,935
Borrowings	15	62,400	62,400	62,400
Revenue Received in Advance	16	394,650	910,061	480,041
Provision for Cyclical Maintenance	17	39,198	37,143	37,143
Finance Lease Liability	18	41,840	28,076	57,425
Funds held in Trust	19	243,340	-	430,020
Funds held for Capital Works Projects	20	73,558	-	420,972
		1,657,352	1,687,615	2,137,936
Working Capital Surplus/(Deficit)		809,913	771,858	659,281
Non-current Assets				
Property, Plant and Equipment	13	4,090,929	4,022,972	4,107,619
		4,090,929	4,022,972	4,107,619
Non-current Liabilities				
Borrowings	15	245,159	307,559	307,559
Provision for Cyclical Maintenance	17	110,296	91,038	91,038
Finance Lease Liability	18	94,221	39,265	25,820
		449,676	437,862	424,417
Net Assets		4,451,166	4,356,968	4,342,483
Equity		4,451,166	4,356,968	4,342,483

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

Otago Boys 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		2,054,647	1,758,998	2,061,666
Locally Raised Funds		1,375,405	1,133,359	1,151,443
Hostel		1,924,545	1,786,173	1,744,731
International Students		30,923	248,097	414,842
Goods and Services Tax (net)		116,190	(6,141)	(10,746)
Payments to Employees		(2,000,039)	(1,576,801)	(1,971,059)
Payments to Suppliers		(3,016,451)	(2,452,984)	(2,650,818)
Interest Paid		(11,524)	-	(9,367)
Interest Received		6,873	26,219	25,219
Net cash from/(to) Operating Activities		480,569	916,920	755,911
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	(1,277)
Purchase of Property Plant & Equipment (and Intangibles)		(236,261)	-	(107,527)
Purchase of Investments		(117,649)	(217,143)	(217,143)
Net cash from/(to) Investing Activities		(353,910)	(217,143)	(325,947)
Cash flows from Financing Activities				
Furniture and Equipment Grant		38,217	-	
Finance Lease Payments		(72,742)	(68,242)	(104,458)
Loans Received/ Repayment of Loans		(62,400)	-	(62,400)
Funds Administered on Behalf of Third Parties		(534,094)	(969,279)	(548,307)
Net cash from/(to) Financing Activities		(631,019)	(1,037,521)	(715,165)
Net increase/(decrease) in cash and cash equivalents		(504,360)	(337,744)	(285,201)
Cash and cash equivalents at the beginning of the year	9	1,407,751	1,407,751	1,692,952
Cash and cash equivalents at the end of the year	9	903,391	1,070,007	1,407,751

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.

Otago Boys High School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Otago Boys 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 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 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 for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 17.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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.

d) Operating Lease Payments

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

e) 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.

f) 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.

g) 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.

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment 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	100 years
Furniture and equipment	10 years
Information and communication technology	2-7 years
Motor vehicles	8 years
Textbooks	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	5 years

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

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

Non cash generating assets

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

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

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

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

l) Accounts Payable

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

m) Employee Entitlements*Short-term employee entitlements*

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

n) Revenue Received in Advance

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

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

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

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

p) Provision for Cyclical Maintenance

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

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

q) Financial Instruments

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

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

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

r) 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.

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

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Operational Grants	1,761,847	1,705,200	1,610,675
Teachers' Salaries Grants	5,157,507	5,157,507	4,931,566
Use of Land and Buildings Grants	853,567	853,567	1,163,880
Other MoE Grants	245,443	36,110	436,616
Establishment Grant	-	33,936	-
Other Government Grants	34,476	-	43,072
	8,052,840	7,786,320	8,185,809

The school has not opted in to the donations scheme .

3. Locally Raised Funds

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	168,698	131,000	147,610
Fees for Extra Curricular Activities	550,317	448,000	441,135
Trading	235,652	210,000	206,778
Fundraising & Community Grants	159,150	-	9,471
Other Revenue	243,166	167,940	170,030
	1,356,983	956,940	975,024
Expenses			
Extra Curricular Activities Costs	611,876	446,000	496,636
Trading	232,509	204,000	207,950
Fundraising and Community Grant Costs	19,543	3,500	1,248
Other Locally Raised Funds Expenditure	13,268	-	-
	877,196	653,500	705,834
Surplus/ (Deficit) for the year Locally raised funds	479,787	303,440	269,190

4. Hostel Revenue and Expenses

Hostel Financial Performance

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
Hostel Full Boarders	130	134	131
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Hostel Fees	1,900,178	1,766,785	1,723,766
Other Revenue	-	-	1,577
	1,900,178	1,766,785	1,725,343
Expenses			
Administration	101,027	98,062	100,040
Property	375,805	321,235	373,076
Employee Benefit - Salaries	832,183	741,303	791,317
Other Hostel Expenses	499,566	546,909	400,707
Grant for purchase of land	50,000	-	-
	1,858,581	1,707,509	1,665,140
Surplus/ (Deficit) for the year Hostel	41,597	59,276	60,203

During the year the school contributed \$50,000 to the Otago Boys High School Foundation (the Foundation) to partially fund the purchase of land by the Foundation at 17a Melrose Street. The land was acquired for the benefit of the school by the Foundation for the purpose of providing additional land for the redevelopment of the existing hostel. The land acquired by the Foundation has been leased back to the School at a notional annual lease charge in order to provide the school unrestricted beneficial use of the land for the lease period. The grant and subsequent lease arrangements are noted in the auditors report.

5. International Student Revenue and Expenses

	2021 Actual Number	2021 Budget (Unaudited) Number	2020 Actual Number
International Student Roll	14	15	23
	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
International Student Fees	218,182	206,170	372,915
Expenses			
Student Recruitment	-	6,000	13,085
Employee Benefit - Salaries	72,542	71,195	79,882
Other Expenses	56,891	47,825	74,971
	129,433	125,020	167,938
Surplus/ (Deficit) for the year International Students	88,749	81,150	204,977

6. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	256,644	394,543	251,827
Equipment Repairs	3,280	5,000	3,848
Information and Communication Technology	66,174	81,800	84,965
Library Resources	21,536	6,000	1,776
Employee Benefits - Salaries	5,809,850	5,480,331	5,597,130
Staff Development	20,282	20,000	15,411
	<u>6,177,766</u>	<u>5,987,674</u>	<u>5,954,957</u>

7. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	8,537	7,000	6,702
Board Fees	5,335	5,000	3,920
Board Expenses	2,650	600	423
Communication	43,261	45,560	51,774
Consumables	4,897	-	1,302
Operating Lease	1,633	-	-
Legal Fees	12,337	10,000	2,884
Other	32,752	33,300	(3,554)
Employee Benefits - Salaries	335,235	311,493	288,381
Insurance	55,271	45,000	44,872
Service Providers, Contractors and Consultancy	10,479	6,000	-
	<u>512,387</u>	<u>463,953</u>	<u>396,704</u>

8. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	202,657	218,000	218,166
Consultancy and Contract Services	-	1,000	645
Cyclical Maintenance Provision	58,456	15,000	(9,169)
Grounds	60,744	68,000	73,802
Heat, Light and Water	135,811	147,000	137,521
Rates	51,022	50,000	49,606
Repairs and Maintenance	111,799	79,200	123,791
Use of Land and Buildings	853,567	853,567	1,163,880
Security	10,062	8,900	9,550
Employee Benefits - Salaries	140,940	136,407	152,336
	<u>1,625,058</u>	<u>1,577,074</u>	<u>1,920,128</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.

9. Cash and Cash Equivalents

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Bank Accounts	903,391	730,372	1,068,116
Short-term Bank Deposits	-	339,635	339,635
Cash and cash equivalents for Statement of Cash Flows	903,391	1,070,007	1,407,751

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

Of the \$903,391 Cash and Cash Equivalents, \$121,495 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2021 on Crown owned school buildings.

10. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Receivables	64,819	5,740	5,740
Receivables from the Ministry of Education	15,816	16,248	16,248
Interest Receivable	1,872	1,237	1,237
Banking Staffing Underuse	-	12,449	12,449
Teacher Salaries Grant Receivable	438,066	387,612	387,612
	520,573	423,286	423,286
Receivables from Exchange Transactions	66,691	6,977	6,977
Receivables from Non-Exchange Transactions	453,882	416,309	416,309
	520,573	423,286	423,286

11. Inventories

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Sports Merchandise	1,481	5,476	5,476
	1,481	5,476	5,476

12. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	1,021,469	903,820	903,820
Total Investments	1,021,469	903,820	903,820

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Buildings - School	3,338,548	26,551			(39,762)	3,325,337
Furniture and Equipment	425,151	37,238			(90,460)	371,929
Information and Communication Technology	96,445	34,839			(29,338)	101,946
Motor Vehicles	158,001	18,633			(33,526)	143,108
Textbooks	6,635	2,494			(866)	8,263
Leased Assets	82,696	125,569	(20,739)		(57,693)	129,833
Library Resources	-	4,481	-		(896)	3,585
WIP	143	6,785			-	6,928
Balance at 31 December 2021	4,107,619	256,590	(20,739)	-	(252,541)	4,090,929

The net carrying value of equipment held under a finance lease is \$129,833 (2020: \$82,696)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings - School	4,008,597	(683,260)	3,325,337	3,982,046	(643,498)	3,338,548
Furniture and Equipment	2,260,264	(1,888,335)	371,929	2,223,026	(1,797,875)	425,151
Information and Communication Technology	1,041,961	(940,015)	101,946	1,007,121	(910,676)	96,445
Motor Vehicles	334,314	(191,206)	143,108	315,681	(157,680)	158,001
Textbooks	34,906	(26,643)	8,263	32,413	(25,778)	6,635
Leased Assets	192,585	(62,752)	129,833	325,322	(242,626)	82,696
Library Resources	157,879	(154,294)	3,585	163,006	(163,006)	-
WIP	6,928	-	6,928	143	-	143
Balance at 31 December	8,037,434	(3,946,505)	4,090,929	8,048,758	(3,941,139)	4,107,619

14. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	183,204	197,461	197,461
Accruals	9,818	6,705	6,705
Employee Entitlements - Salaries	473,074	395,899	395,899
Employee Entitlements - Leave Accrual	56,353	49,870	49,870
	722,449	649,935	649,935
Payables for Exchange Transactions	697,159	649,935	626,408
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	25,290		23,527
	722,449	649,935	649,935

The carrying value of payables approximates their fair value.

15. Borrowings

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	62,400	62,400	62,400
Loans due after one year	245,159	307,559	307,559
	<u>307,559</u>	<u>369,959</u>	<u>369,959</u>

The school has borrowings at 31 December 2021 of \$307,559 (31 December 2020 \$369,959). This loan is from the ANZ Bank for the purpose of Hostel refurbishment. The loan is unsecured, is non-interest bearing, being part of a set-off arrangement, and the loan is payable in equal monthly instalments of \$5,200.

16. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
International Student Fees in Advance	107,826	549,372	295,085
Hostel Fees in Advance	166,122	135,445	141,755
Other revenue in Advance	120,702	225,244	43,201
	<u>394,650</u>	<u>910,061</u>	<u>480,041</u>

17. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	128,181	128,181	137,350
Increase/ (decrease) to the Provision During the Year	58,456	15,000	(9,169)
Use of the Provision During the Year	(37,143)		
Provision at the End of the Year	<u>149,494</u>	<u>143,181</u>	<u>128,181</u>
Cyclical Maintenance - Current	39,198	37,143	37,143
Cyclical Maintenance - Term	110,296	91,038	91,038
	<u>149,494</u>	<u>128,181</u>	<u>128,181</u>

18. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	52,038	30,576	62,562
Later than One Year and no Later than Five Years	106,077	44,265	29,475
Future Finance Charges	(22,054)	(7,500)	(8,792)
	<u>136,061</u>	<u>67,341</u>	<u>83,245</u>
Represented by			
Finance lease liability - Current	41,840	28,076	57,425
Finance lease liability - Term	94,221	39,265	25,820
	<u>136,061</u>	<u>67,341</u>	<u>83,245</u>

19. Funds held in Trust

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	243,340	-	430,020
	<u>243,340</u>	<u>-</u>	<u>430,020</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.

20. Funds Held for Capital Works Projects

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

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Shand Roof	37,986	-	-	-	37,986
Boiler Replacement #206789	(47,738)	81,001	(33,263)	-	-
Grandstand Roof #210189	5,114	12,425	(1,677)	-	15,862
Pool Gyn Roof Replacement	28,409	-	-	-	28,409
OBHS Arch Repairs #227911	(16,400)	187,986	(168,215)	-	3,371
MOE Special Needs Project #226425	87,861	-	(110,865)	-	(23,004)
MOE Upper Tennis Courts SIP	160,532	(24,933)	(124,665)	-	10,934
MOE Lower Tennis Courts #220857	165,208	24,933	(191,460)	1,319	-
Totals	<u>420,972</u>	<u>281,412</u>	<u>(630,145)</u>	<u>1,319</u>	<u>73,558</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	96,562
Funds Due from the Ministry of Education	(23,004)
	<u>73,558</u>

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Tower Block Seismic Upgrade	4	-	-	(4)	-
Shand Roof	37,986	-	-	-	37,986
Boiler Replacement #206789	820,775	72,892	(941,405)	-	(47,738)
Grandstand Roof #210189	5,114	-	-	-	5,114
Pool Gyn Roof Replacement	-	28,409	-	-	28,409
OBHS Arch Repairs #227911	-	-	(16,400)	-	(16,400)
MOE Special Needs Project #226425	-	87,861	-	-	87,861
MOE Upper Tennis Courts SIP	-	160,532	-	-	160,532
MOE Lower Tennis Courts #220857	-	199,468	(34,260)	-	165,208
Totals	863,879	549,162	(992,065)	(4)	420,972

21. 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.

22. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	5,335	3,920
<i>Leadership Team</i>		
Remuneration	1,296,567	1,224,555
Full-time equivalent members	11.00	11.00
Total key management personnel remuneration	1,301,902	1,228,475

There are 7 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has 2 Finance Committee members and 2 Property Committee members that meet monthly and quarterly 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	190-200	180-190
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

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
100 - 110	11.00	5.00
110 - 120	4.00	2.00
120 - 130	2.00	1.00
	17.00	8.00

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

23. Compensation and Other Benefits Upon Leaving

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

	2021 Actual \$0	2020 Actual \$0
Total Number of People	-	-

24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2021** (Contingent liabilities and assets at **31 December 2020**: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

- a) Tennis Courts Upgrade, which will be funded by the Ministry of Education and Board Contribution of \$11,320. \$360,000 has been received of which \$375,319 has been spent on the project to date; and
- (b) Special Needs facilities fully funded by the Ministry and \$87,861 has been received and \$110,865 been spent on the project to balance date; and
- c) Block I Roof Replacement was signed December 2021. A jointly funded Project by the Ministry of Education (\$224,250) and the Board (\$224,250); and
- d) Grandstand Project which has been on hold received \$12,425 funds for the Ministry of Education and spent a further \$1,677; and
- e) Shand Roof Project remains on hold.

Capital commitments at 31 December 2020: Tennis Court Upgrade, Boiler Upgrade and Special Needs Facilities. As at balance date \$1,832,818 had been received and \$1,466,955 had been spent.

26. 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	903,391	1,070,007	1,407,751
Receivables	520,573	423,286	423,286
Investments - Term Deposits	1,021,469	903,820	903,820
Total Financial assets measured at amortised cost	<u>2,445,433</u>	<u>2,397,113</u>	<u>2,734,857</u>

Financial liabilities measured at amortised cost

Payables	722,449	649,935	649,935
Borrowings - Loans	307,559	369,959	369,959
Finance Leases	136,061	67,341	83,245
Total Financial Liabilities Measured at Amortised Cost	<u>1,166,069</u>	<u>1,087,235</u>	<u>1,103,139</u>

27. Events After Balance Date

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

28. Comparatives

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

29. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Reduction in International students

Under alert levels 4, 3, 2, and 1 International travel is heavily restricted. The school has been unable to welcome and enrol prospective international students which has resulted in a reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities.

30. Otago High School Foundation

As referenced in note 4 of the financial statements the school has entered certain arrangements with the Otago Boys High School Foundation (the Foundation). The Foundation was established as a charitable Trust on 5th August 2005 with the purpose of supporting a range of activities related to the investment and promotion of education, learning and development of the School and Otago Boys High School students as the appointed Trustees consider appropriate. There are certain features of the Foundation structure and purpose that indicate the Foundation may be a controlled entity by the school under PBE IPSAS 35 Consolidated Financial Statements (PBE IPSAS 35). A review of the relevant establishment documents related to the Foundation is currently being undertaken to determine whether the control elements of PBE IPSAS 35 are met. In the event the school is deemed to control the Foundation under PBE IPSAS 35 this would require the school to consolidate the financial information of the Foundation as part of the school financial statements. This matter will be resolved for 31 December 2022.

Otago Boys High School

Kiwisport Statement

For the year ended 31 December 2021

Otago Boys' High School received direct funding through the Kiwisport programme. In 2021 the school received \$20,013 (exc GST) [2020: \$19,361] . The majority of this funding is directed to the Sports Administrator's salary.

Her role, which she does effectively, is to administer all sport, sport trips, and inter-school fixtures. The effectiveness of this role can be attributed to not only the numbers of students involved in sport, but also their success and the number of teachers at our school who coach.

As a region, Otago has some of the highest participation numbers per capita or both athletes and teachers coaching. The administration helps these groups work more efficiently and effectively.