



FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 3776

Principal: Brent Caldwell

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MORNINGTON SCHOOL

Annual Report - For the year ended 31 December 2020

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Mornington School

Statement of Responsibility

For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflect the financial position and operations of the School.

The School's 2020 financial statements are authorised for issue by the Board.

Troy Vasa

Full Name of Board Chairperson

Troy Vasa

Signature of Board Chairperson

09/07/2021

Date:

Ross Tucker

Full Name of Principal

[Signature]

Signature of Principal

9-7-2021

Date:

Troy Vasa
Troy Vasa
Troy Vasa

Mornington School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Glenn Moors	Chairperson	Elected	Jun 2022
Brent Caldwell	Principal	ex Officio	
Troy Vasa	Treasurer	Elected	Jun 2022
Marie Munro	Parent Rep	Elected	Jun 2022
Adam Liberatore	Parent Rep	Co-opted	Jun 2022
Michelle McCartney	Parent Rep	Elected	Jun 2022
Emma Dettling	Staff Rep	Elected	Jun 2022
In Attendance			
Elly Lang	Minute Secretary		

Mornington School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	2,246,932	2,030,803	2,171,826
Locally Raised Funds	3	112,207	81,904	174,705
Interest Income		3,084	6,000	5,041
International Students	4	6,739	500	10,000
		<u>2,368,962</u>	<u>2,119,207</u>	<u>2,361,572</u>
Expenses				
Locally Raised Funds	3	64,693	58,040	48,725
International Students	4	168	160	187
Learning Resources	5	1,715,723	1,448,139	1,700,469
Administration	6	93,676	127,655	91,277
Finance		3,882	-	5,747
Property	7	438,958	445,050	415,580
Depreciation	8	71,836	40,000	68,730
Loss on Disposal of Property, Plant and Equipment		600	-	-
		<u>2,389,536</u>	<u>2,119,044</u>	<u>2,330,715</u>
Net (Deficit) / Surplus for the year		(20,574)	163	30,857
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(20,574)</u>	<u>163</u>	<u>30,857</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.

Mornington School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January		501,918	501,918	471,061
Total comprehensive revenue and expense for the year		(20,574)	163	30,857
Capital Contributions from the Ministry of Education				
Contribution - from owner		(1,719)	-	-
Equity at 31 December	26	479,625	502,081	501,918
Retained Earnings		479,625	502,081	501,918
Equity at 31 December		479,625	502,081	501,918

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.

Mornington School
Statement of Financial Position
As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	
		\$	(Unaudited)	Actual
			\$	\$
Current Assets				
Cash and Cash Equivalents	9	490,521	265,161	224,998
Accounts Receivable	10	398,003	101,181	101,181
GST Receivable		-	17,395	17,395
Prepayments		14,712	9,135	9,135
Inventories	11	1,643	770	770
Investments	12	110,190	160,833	160,833
		<u>1,015,069</u>	<u>554,475</u>	<u>514,312</u>
Current Liabilities				
GST Payable		67,320	-	-
Accounts Payable	14	189,209	146,782	146,782
Revenue Received in Advance	15	16,245	24,227	24,227
Finance Lease Liability - Current Portion	17	22,700	29,570	29,570
Funds held for Capital Works Projects	18	511,919	41,945	41,945
Funds Held on Behalf of the Nga Tapa Wha Cluster	19	26,028	62,201	62,201
Funds Held on Behalf of the Afghan Cluster	20	2,461	-	-
		<u>835,882</u>	<u>304,725</u>	<u>304,725</u>
Working Capital Surplus/(Deficit)		179,187	249,750	209,587
Non-current Assets				
Property, Plant and Equipment	13	363,335	324,217	364,217
		<u>363,335</u>	<u>324,217</u>	<u>364,217</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	58,400	48,400	48,400
Finance Lease Liability	17	4,497	23,486	23,486
		<u>62,897</u>	<u>71,886</u>	<u>71,886</u>
Net Assets		<u>479,625</u>	<u>502,081</u>	<u>501,918</u>
Equity	26	<u>479,625</u>	<u>502,081</u>	<u>501,918</u>

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

Mornington School
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		318,319	524,472	535,354
Locally Raised Funds		101,345	81,904	168,299
International Students		4,130	500	10,000
Goods and Services Tax (net)		84,715	-	(2,652)
Payments to Employees		(393,330)	(198,502)	(312,008)
Payments to Suppliers		(240,228)	(374,211)	(292,740)
Funds Administered on Behalf of Third Parties		(33,712)	-	62,201
Interest Received		2,786	6,000	5,280
Net cash from/(to) Operating Activities		(155,975)	40,163	103,533
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(67,307)	-	(132,543)
Purchase of Investments		-	-	(109,760)
Proceeds from Sale of Investments		50,643	-	-
Net cash from/(to) Investing Activities		(16,664)	-	(242,303)
Cash flows from Financing Activities				
Finance Lease Payments		(30,093)	-	(34,430)
Funds held for Capital Works Projects		468,255	-	40,634
Net cash from/(to) Financing Activities		438,162	-	68,405
Net increase/(decrease) in cash and cash equivalents		265,523	40,163	(70,365)
Cash and cash equivalents at the beginning of the year	9	224,998	224,998	295,363
Cash and cash equivalents at the end of the year	9	490,521	265,161	224,998

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.

Mornington School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

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.

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 16.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

Use of Land and Buildings Grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The School's 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.

1.9. 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.

1.10. 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.

1.11. Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10-50 years
Furniture and equipment	5-10 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing Value

1.12. 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.

1.13. 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.

1.14. Employment Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

1.15. Revenue Received in Advance

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

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.

1.16. Provision for Cyclical Maintenance

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

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

1.17. 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, 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.

1.18. 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 finance leases.

1.19. 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.

1.20. Budget Figures

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

1.21. Services received in-kind

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

2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	503,530	472,846	412,388
Teachers' Salaries Grants	1,330,665	1,227,613	1,375,325
Use of Land and Buildings Grants	282,879	255,044	261,147
Other MoE Grants	107,412	75,300	122,966
Other Government Grants	22,446	-	-
	<u>2,246,932</u>	<u>2,030,803</u>	<u>2,171,826</u>

The School has opted in to the donations scheme for this year. Total amount received was \$43,500.

Other MOE Grants total includes additional COVID-19 funding totalling \$17,856 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	35,517	41,304	101,965
Fundraising	1,461	-	10,552
Bequests & Grants	18,200	-	-
Other Revenue	6,615	100	13,625
Trading	9,907	3,000	6,575
Activities	40,507	37,500	41,988
	<u>112,207</u>	<u>81,904</u>	<u>174,705</u>
Expenses			
Activities	62,290	56,540	45,681
Trading	2,403	1,500	3,044
	<u>64,693</u>	<u>58,040</u>	<u>48,725</u>
<i>Surplus for the year Locally raised funds</i>	<u>47,514</u>	<u>23,864</u>	<u>125,980</u>

4. International Student Revenue and Expenses

	2020 Actual Number	2020 Budget (Unaudited) Number	2019 Actual Number
International Student Roll	1	1	1
Revenue			
International Student Fees	6,739	500	10,000
Expenses			
International Student Levy	168	160	187
	<u>168</u>	<u>160</u>	<u>187</u>
<i>Surplus for the year International Students</i>	<u>6,571</u>	<u>340</u>	<u>9,813</u>

5. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	27,589	54,850	47,300
Information and Communication Technology	420	500	420
Library Resources	964	2,500	1,516
Employee Benefits - Salaries	1,676,183	1,370,789	1,634,877
Staff Development	10,567	19,500	16,356
	<u>1,715,723</u>	<u>1,448,139</u>	<u>1,700,469</u>

6. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,565	3,000	4,125
Board of Trustees Fees	3,400	5,500	3,240
Board of Trustees Expenses	581	1,805	2,895
Communication	2,835	2,850	2,991
Consumables	11,104	24,300	11,212
Operating Lease	480	16,500	468
Other	11,488	19,400	10,620
Employee Benefits - Salaries	48,782	45,000	44,604
Insurance	6,541	6,800	7,052
Service Providers, Contractors and Consultancy	4,900	2,500	4,070
	<u>93,676</u>	<u>127,655</u>	<u>91,277</u>

7. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	36,636	31,000	29,633
Cyclical Maintenance Provision	10,000	10,000	11,600
Grounds	11,372	20,000	11,922
Heat, Light and Water	26,016	26,000	24,715
Rates	7,230	8,000	6,719
Repairs and Maintenance	19,798	58,006	36,045
Use of Land and Buildings	282,879	255,044	261,147
Security	2,387	3,000	2,295
Employee Benefits - Salaries	42,640	34,000	31,504
	<u>438,958</u>	<u>445,050</u>	<u>415,580</u>

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

8. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	7,627	5,000	6,870
Furniture and Equipment	19,742	10,000	19,202
Information and Communication Technology	13,844	8,000	12,116
Leased Assets	28,912	15,000	28,792
Library Resources	1,711	2,000	1,750
	<u>71,836</u>	<u>40,000</u>	<u>68,730</u>

9. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	-	-	50
Bank Current Account	437,324	265,161	224,948
Short-term Bank Deposits	53,197	-	-
Cash and cash equivalents for Statement of Cash Flows	<u>490,521</u>	<u>265,161</u>	<u>224,998</u>

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

Of the \$490,521 Cash and Cash Equivalents \$261,920 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$490,521 Cash and Cash Equivalents, \$26,028 is held by the School on behalf of the Nga Tapa Wha cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

Of the \$490,521 Cash and Cash Equivalents, \$2,461 is held by the School on behalf of the Afghan cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	11,868	6,379	6,379
Receivables from the Ministry of Education	287,500	-	-
Interest Receivable	357	59	59
Teacher Salaries Grant Receivable	98,278	94,743	94,743
	<u>398,003</u>	<u>101,181</u>	<u>101,181</u>
Receivables from Exchange Transactions	12,225	6,438	6,438
Receivables from Non-Exchange Transactions	385,778	94,743	94,743
	<u>398,003</u>	<u>101,181</u>	<u>101,181</u>

11. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	1,643	260	260
School Uniforms	-	510	510
	<u>1,643</u>	<u>770</u>	<u>770</u>

12. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	110,190	160,833	160,833
Total Investments	<u>110,190</u>	<u>160,833</u>	<u>160,833</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Building Improvements	141,952	5,504	-	-	(7,627)	139,829
Furniture and Equipment	107,214	40,377	-	-	(19,742)	127,849
Information and Communication Technology	52,870	19,925	(537)	-	(13,844)	58,414
Leased Assets	49,934	4,247	-	-	(28,912)	25,269
Library Resources	12,247	2,094	(656)	-	(1,711)	11,974
Balance at 31 December 2020	<u>364,217</u>	<u>72,147</u>	<u>(1,193)</u>	<u>-</u>	<u>(71,836)</u>	<u>363,335</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Building Improvements	229,644	(89,815)	139,829
Furniture and Equipment	414,529	(286,680)	127,849
Information and Communication Technology	189,449	(131,035)	58,414
Leased Assets	108,429	(83,160)	25,269
Library Resources	112,193	(100,219)	11,974
Balance at 31 December 2020	<u>1,054,244</u>	<u>(690,909)</u>	<u>363,335</u>

The net carrying value of equipment held under a finance lease is \$25,269 (2019: \$49,934)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	46,789	102,033	-	-	(6,870)	141,952
Furniture and Equipment	119,510	6,906	-	-	(19,202)	107,214
Information and Communication Technology	42,538	22,448	-	-	(12,116)	52,870
Leased Assets	70,171	8,555	-	-	(28,792)	49,934
Library Resources	13,983	14	-	-	(1,750)	12,247
Balance at 31 December 2019	292,991	139,956	-	-	(68,730)	364,217

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	224,139	(82,187)	141,952
Furniture and Equipment	385,866	(278,652)	107,214
Information and Communication Technology	197,655	(144,785)	52,870
Leased Assets	109,251	(59,317)	49,934
Library Resources	116,329	(104,082)	12,247
Balance at 31 December 2019	1,033,240	(669,023)	364,217

14. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating creditors	35,634	15,389	15,389
Accruals	3,565	4,854	4,854
Banking staffing overuse	23,674	23,674	23,674
Employee Entitlements - salaries	114,393	94,743	94,743
Employee Entitlements - leave accrual	11,943	8,122	8,122
	189,209	146,782	146,782
Payables for Exchange Transactions	189,209	146,782	146,782
	189,209	146,782	146,782

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
International Student Fees	7,391	10,000	10,000
Other	8,854	14,227	14,227
	16,245	24,227	24,227

16. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	48,400	48,400	44,800
Increase to the Provision During the Year	10,000	-	10,000
Adjustment to the Provision	-	-	1,600
Use of the Provision During the Year	-	-	(8,000)
Provision at the End of the Year	58,400	48,400	48,400
Cyclical Maintenance - Term	58,400	48,400	48,400
	58,400	48,400	48,400

17. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	24,130	33,288	33,288
Later than One Year and no Later than Five Years	4,805	24,705	24,705
	28,935	57,993	57,993



18. Funds Held for Capital Works

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Hall & Toilet Upgrade	Completed	3,849	-	(2,285)	(1,564)	-
SIP AMS CP: 2: ILE Upgrade	Completed	38,096	523,095	(49,272)	-	511,919
Totals		41,945	523,095	(51,557)	(1,564)	511,919

Represented by:

Funds Held on Behalf of the Ministry of Education

511,919
<u>511,919</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Pool Pumphouse Door Replacement	Completed	(1,519)	-	-	1,519	-
Hall & Toilet Upgrade	In Progress	2,830	66,742	(65,723)	-	3,849
SIP AMS CP: 2: ILE Upgrade	In Progress	-	38,096	-	-	38,096
Flood Damage	Completed	-	6,575	(6,575)	-	-
Totals		1,311	111,413	(72,298)	1,519	41,945

19. Funds Held on Behalf of the Nga Tapa Wha Cluster

Mornington School was the lead school and holds funds on behalf of the Nga Tapa Wha cluster, a group of schools funded by the Ministry of Education to share professional support.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held at Beginning of the Year	62,201	62,201	-
Funds Received from MoE	-	-	94,674
Funds Spent on Behalf of the Cluster	(36,173)	-	(32,473)
Funds Held at Year End	<u>26,028</u>	<u>62,201</u>	<u>62,201</u>

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

Current Assets

Cash at bank	26,028	62,201	62,201
Equity	<u>26,028</u>	<u>62,201</u>	<u>62,201</u>

20. Funds Held on Behalf of the Afghan Cluster

Mornington School was the lead school and holds funds on behalf of the Afghan cluster, a group of schools funded by the Ministry of Education.

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Received from Cluster Members	54,692	-	-
Funds Spent on Behalf of the Cluster	(52,231)	-	-
Funds Held at Year End	<u>2,461</u>	<u>-</u>	<u>-</u>

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

Current Assets

Cash at bank	2,461	-	-
Equity	<u>2,461</u>	<u>-</u>	<u>-</u>



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 trustees of the Board, Principal, Deputy and Assistant Principals.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,400	3,240
Full-time equivalent members	0.08	0.21
<i>Leadership Team</i>		
Remuneration	440,405	418,630
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	443,805	421,870
Total full-time equivalent personnel	4.08	4.21

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140-150	140-150
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 -110	1.00	-
	1.00	-

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 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:

	2020 Actual \$	2019 Actual \$
Total	-	-
Number of People	-	-



24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – Schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) \$681,694 contract for ILE Upgrades to Block 1 and Block 2. This project is fully funded by the Ministry of Education. As at balance date total income of \$613,524 had been received with expenditure incurred totalling \$26,176.

(Capital commitments at 31 December 2019: \$451,127)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts:

(Operating commitments at 31 December 2019: \$nil)

26. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

27. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	490,521	265,161	224,998
Receivables	398,003	101,181	101,181
Investments - Term Deposits	110,190	160,833	160,833
Total Financial assets measured at amortised cost	998,714	527,175	487,012

Financial liabilities measured at amortised cost

Payables	189,209	146,782	146,782
Finance Leases	27,197	53,056	53,056
Total Financial liabilities measured at amortised Cost	216,406	199,838	199,838

28. Events After Balance Date

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

29. Comparatives

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



Morningside School Board of Trustees SCHOOL CHARTER 2021-2023

Covering the three statutory areas of student achievement, school performance and use of resources (Education Standards Act 2001)

2020 Variance Report Student Achievement in Mathematics

Our vision: Classroom programmes that reflect a commitment to high quality teaching and learning.							
Achievement target: Increase the number of students who are achieving at or above the expected level for Mathematics.							
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting	Resourcing (Cost)	Additional Support
Numeracy data indicates that student achievement in Mathematics is varied. This is especially for Māori and Pasifika students	Classroom programmes will focus on developing new teaching methods to address this disparity	Site based PLD Massey University PLD Contract	GLOSS NUMPA PAT	End 2020	Milestones to Board / MoE mid and end of years	\$10,000	PLD Budget MOE PLD funding
Action plan		Responsibility		Resources		Outcomes	
Teaching programmes adapted to incorporate Developing Mathematics Inquiry Communities (DMIC) approaches to be used in classes		Principal Leadership & Staff		Massey University MoE Senior Advisor OPPA		Successful application PLD provider secured 2020	
Teacher trialling of Rich Tasks with multi level grouping		Principal Leadership & Staff		NZMaths School based exemplars		Achievement data collated, Review of priority learners for in -class support	
Teacher Inquiry focus on priority learners in each class In class targeted groups		Principal SENCO Leadership & Staff		SEG TFEA		Raised / accelerated achievement for identified in-class priority learners	
Specialist teacher targeted support of priority learners		Specialist Teacher SENCO		Specialist teacher support		Raised / accelerated achievement for identified special support priority learners	
Actual outcomes				Accounting for variance (Education Act Section 87e)		Implications for future development	
<ul style="list-style-type: none">82% of all students achieving at or above their expected level for Mathematics and Statistics. Data source: End of Year OTJ23% of Māori students are not achieving at or above their expected level for Mathematics and Statistics20% for Pasifika students are not achieving at or above their expected level for Mathematics and Statistics				<ul style="list-style-type: none">Year one of three year course completedChallenges of learning the pedagogy then implementing almost immediately		<ul style="list-style-type: none">Whole School MoE PLD application for 2021 via Massey for continuation of three year contract	

Mornington School Board of Trustees SCHOOL CHARTER 2021-2023

Covering the three statutory areas of student achievement, school performance and use of resources (Education Standards Act 2001)

2020 Variance Report: Teaching and Learning in Mathematics

Our vision: Classroom programmes that reflect a commitment to high quality teaching and learning.							
Achievement target: All teachers will complete Massey University Extended Short Course							
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting	Resourcing (Cost)	Additional Support
Teacher knowledge of DMIC maths is limited.	Classroom programmes will focus on raising of all children below their expected level	Site based PLD via Peer observation 3x Teacher Only Days	GLOSS PAT	End 2022	Milestones to Board / MoE mid and end of years	\$5000 resources MoE Funded PLD	Massey University MoE PLD Journal
Action plan		Responsibility		Resources		Outcomes	
Teacher Only Day Jan 29 2020 to focus on Developing Mathematical Inquiry Communities with Massey University		Principal Maths Lead Teachers Leadership & Staff		NZMaths Dr Jodi Hunter Massey Univ. Massey University		Teachers upskilled on the use of DMIC approach	
In Class Support Day 2 x Teacher Only Days (March 20 & May 29)		Principal Maths Lead Teachers Leadership & Staff		Dr Jodi Hunter Massey Univ. Massey University Course Resources		Completed in person and online (Zoom)	
Teacher Inquiry focus on learners in each class In-class targeted groups		Principal SENCO Leadership & Staff		SEG TFEA Interlead Reflective Journals		Raised / accelerated achievement for identified in-class priority learners	
Actual outcomes				Accounting for variance (Education Act Section 87e)		Implications for future development	
<ul style="list-style-type: none">Year 1 of course completedTeacher focus on multi level groups completed				<ul style="list-style-type: none">All goals metCovid 19 disruption		<ul style="list-style-type: none">Continued PLD for all teaching staff required for successful pedagogical shift in practice	

**Shaping a Stronger
Education System with
New Zealanders**



Mornington School 3776

Kiwisport is a Government funding initiative to support students' participation in organised sport. During 2020, the school received total Kiwisport funding of \$3910.38 (excluding GST) in Operational Funding.

As in previous years Mornington School worked as part of a cluster of Dunedin schools and with Sport Otago to employ a Sports Facilitator, Paige. The funding was spent on a programme of development sessions in the chosen sports twice per term.

Remaining funds have been used to offset the purchase of sports gear.

Ross Tucker
Acting Principal

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MORNINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Mornington School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 3 to 18, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 9 July 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on page 2 and pages 19 to 21, 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.



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand