



FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	3776
Principal:	Carmel Jolly
School Address:	34 Elgin Road, Mornington, Dunedin 9011
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MORNINGTON SCHOOL

Annual Report - For the year ended 31 December 2022

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Mornington School

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Brian McMillan

Full Name of Presiding Member

Signed by:

E9AB3141AE4C2FEB

Signature of Presiding Member

26/06/2023

Date:

Carmel Jolly

Full Name of Principal

Signed by:

1A57243E51353935

Signature of Principal

26/06/2023

Date:

Mornington School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Brian McMillan	Presiding Member	Elected	Sep 2025
Carmel Jolly	Principal	ex Officio	
Marie Munro	Parent Representative	Elected	Sep 2022
Adam Liberatore	Parent Representative	Selected	Sep 2022
Michelle McCartney	Parent Representative	Elected	Sep 2022
Katrina Jenkins	Staff Representative	Elected	Sep 2022
Ben Peters	Parent Representative	Elected	Sep 2025
Louise Guise	Parent Representative	Elected	Sep 2025
Caleb Robinson	Parent Representative	Elected	Sep 2025
Lucy McGrannachan	Staff Representative	Elected	Sep 2025
In Attendance Elly Lang	Minute Secretary		

Mornington School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,252,967	2,039,119	2,187,334
Locally Raised Funds	3	85,494	57,450	68,303
Interest Income		6,244	650	1,895
		<u>2,344,705</u>	<u>2,097,219</u>	<u>2,257,532</u>
Expenses				
Locally Raised Funds	3	13,079	25,725	21,043
Learning Resources	4	1,769,617	1,540,570	1,754,175
Administration	5	122,712	134,069	109,826
Finance		2,128	-	1,843
Property	6	408,588	404,518	362,112
Loss on Disposal of Property, Plant and Equipment		1,568	-	930
		<u>2,317,692</u>	<u>2,104,882</u>	<u>2,249,929</u>
Net Surplus / (Deficit) for the year		27,013	(7,663)	7,603
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>27,013</u>	<u>(7,663)</u>	<u>7,603</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 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		491,498	491,498	479,625
Total comprehensive revenue and expense for the year		27,013	(7,663)	7,603
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		20,896	-	4,270
Equity at 31 December		539,407	483,835	491,498
Accumulated comprehensive revenue and expense		539,407	483,835	491,498
Equity at 31 December		539,407	483,835	491,498

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 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	196,416	146,972	125,962
Accounts Receivable	8	114,015	100,814	100,814
GST Receivable		15,468	14,863	14,863
Prepayments		16,616	15,233	15,233
Inventories	9	525	787	787
Investments	10	165,811	164,635	164,635
Funds Receivable for Capital Works Projects	16	42,604	4,400	4,400
		551,455	447,704	426,694
Current Liabilities				
Accounts Payable	12	174,291	151,880	151,880
Revenue Received in Advance	13	6,627	8,568	8,568
Provision for Cyclical Maintenance	14	28,706	53,000	6,300
Finance Lease Liability	15	21,635	5,549	5,549
Funds held for Capital Works Projects	16	54,505	28,909	28,909
Funds Held on Behalf of the Nga Tapa Wha Cluster	17	17,950	(3,910)	(8,910)
Funds Held on Behalf of the Afghan Cluster	18	10,396	(3,187)	(2,936)
		314,110	240,809	189,360
Working Capital Surplus/(Deficit)		237,345	206,895	237,334
Non-current Assets				
Property, Plant and Equipment	11	372,147	299,450	320,374
		372,147	299,450	320,374
Non-current Liabilities				
Provision for Cyclical Maintenance	14	49,557	18,400	62,100
Finance Lease Liability	15	20,528	4,110	4,110
		70,085	22,510	66,210
Net Assets		539,407	483,835	491,498
Equity		539,407	483,835	491,498

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 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		686,214	556,462	640,781
Locally Raised Funds		75,457	57,450	72,424
Goods and Services Tax (net)		(605)	-	(82,183)
Payments to Employees		(405,375)	(288,568)	(371,874)
Payments to Suppliers		(274,657)	(287,733)	(258,425)
Interest Received		3,223	650	1,616
Net cash from/(to) Operating Activities		84,257	38,261	2,339
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(65,220)	(22,000)	(19,903)
Purchase of Investments		(1,176)	-	(54,445)
Net cash (to)/from Investing Activities		(66,396)	(22,000)	(74,348)
Cash flows from Financing Activities				
Furniture and Equipment Grant		20,896	-	4,270
Finance Lease Payments		(21,751)	-	(21,694)
Funds Administered on Behalf of Third Parties		53,448	4,749	(275,126)
Net cash from/(to) Financing Activities		52,593	4,749	(292,550)
Net increase/(decrease) in cash and cash equivalents		70,454	21,010	(364,559)
Cash and cash equivalents at the beginning of the year	7	125,962	125,962	490,521
Cash and cash equivalents at the end of the year	7	196,416	146,972	125,962

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 2022

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 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 whole 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 23b.

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.

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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programmes are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist

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 recognised as revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

1.4. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

1.8. Inventories

Inventories are consumable items held for sale and comprised of stationery, canteen 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.

1.9. 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.

1.10. 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 funded by the Board to buildings owned by the Crown or directly by the board 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 Statement of Comprehensive Revenue and Expense 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	3-10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing Value

1.11. 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

1.12. 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.

1.13. 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, but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.14. 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.

1.15. Funds held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

1.16. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the Resource Teachers of Learning & Behaviour programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

1.17. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

1.18. Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable, and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	672,064	536,462	612,520
Teachers' Salaries Grants	1,327,318	1,227,613	1,343,484
Use of Land and Buildings Grants	230,944	255,044	210,808
Other Government Grants	22,641	20,000	20,522
	<u>2,252,967</u>	<u>2,039,119</u>	<u>2,187,334</u>

The School has opted in to the donations scheme for this year. Total amount received was \$38,400 (2021: \$40,950).

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	13,174	13,100	12,859
Fees for Extra Curricular Activities	11,177	18,400	16,181
Trading	4,035	2,900	3,953
Fundraising & Community Grants	41,323	13,000	15,496
Other Revenue	15,785	10,050	12,423
International Student Fees	-	-	7,391
	<u>85,494</u>	<u>57,450</u>	<u>68,303</u>
Expenses			
Extra Curricular Activities Costs	11,041	24,225	17,234
Trading	276	1,500	1,540
Fundraising & Community Grant Costs	1,762	-	1,886
International Student - Other Expenses	-	-	383
	<u>13,079</u>	<u>25,725</u>	<u>21,043</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>72,415</u>	<u>31,725</u>	<u>47,260</u>

During the year the School hosted nil International students (2021:1)

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	53,823	61,465	58,653
Information and Communication Technology	2,914	500	420
Library Resources	925	1,000	1,029
Employee Benefits - Salaries	1,634,950	1,429,181	1,622,164
Staff Development	5,931	5,500	3,839
Depreciation	71,074	42,924	68,070
	<u>1,769,617</u>	<u>1,540,570</u>	<u>1,754,175</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,717	3,500	4,580
Board Fees	3,995	5,500	2,910
Board Expenses	6,934	1,569	7,379
Communication	1,914	2,850	2,789
Consumables	20,716	18,800	15,342
Operating Lease	521	24,000	516
Other	10,556	16,050	16,698
Employee Benefits - Salaries	60,778	48,000	47,077
Insurance	7,221	6,800	8,959
Service Providers, Contractors and Consultancy	5,360	7,000	3,576
	<u>122,712</u>	<u>134,069</u>	<u>109,826</u>

6. Property

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Caretaking and Cleaning Consumables	42,316	36,500	38,004
Cyclical Maintenance Provision	10,632	10,000	10,000
Grounds	11,940	11,500	9,768
Heat, Light and Water	31,013	20,974	23,338
Rates	7,851	6,000	7,456
Repairs and Maintenance	32,242	23,000	19,008
Use of Land and Buildings	230,944	255,044	210,808
Security	1,376	2,500	2,238
Employee Benefits - Salaries	40,274	39,000	41,492
	<u>408,588</u>	<u>404,518</u>	<u>362,112</u>

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.

7. Cash and Cash Equivalents

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Bank Accounts	196,416	146,972	125,962
Cash and Cash Equivalents for Statement of Cash Flows	<u>196,416</u>	<u>146,972</u>	<u>125,962</u>

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

Of the \$196,416 Cash and Cash Equivalents, \$54,505 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 2023 on Crown owned school buildings.

Of the \$196,416 Cash and Cash Equivalents, \$17,950 is held by the School on behalf of the Nga Tapa Wha cluster. See note 17 for details of how the funding received for the cluster has been spent in the year.

Of the \$196,416 Cash and Cash Equivalents, \$10,396 is held by the School on behalf of the Afghan cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
Receivables	8,166	70	70
Interest Receivable	3,657	636	636
Teacher Salaries Grant Receivable	102,192	100,108	100,108
	<u>114,015</u>	<u>100,814</u>	<u>100,814</u>
Receivables from Exchange Transactions	11,823	706	706
Receivables from Non-Exchange Transactions	102,192	100,108	100,108
	<u>114,015</u>	<u>100,814</u>	<u>100,814</u>

9. Inventories

	2022	2022 Budget (Unaudited)	2021
	Actual \$	\$	Actual \$
School Uniforms	525	787	787
	<u>525</u>	<u>787</u>	<u>787</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	165,811	164,635	164,635
Total Investments	165,811	164,635	164,635

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Building Improvements	140,054	27,197	-	-	(8,459)	158,792
Furniture and Equipment	114,901	11,391	-	-	(21,808)	104,484
Information and Communication Technology	45,751	29,668	-	-	(17,211)	58,208
Leased Assets	9,712	55,869	-	-	(22,511)	43,070
Library Resources	9,956	290	(1,568)	-	(1,085)	7,593
Balance at 31 December 2022	320,374	124,415	(1,568)	-	(71,074)	372,147

The net carrying value of equipment held under a finance lease is \$43,070 (2021: \$9,712)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Building Improvements	265,068	(106,276)	158,792	237,872	(97,818)	140,054
Furniture and Equipment	433,675	(329,191)	104,484	422,283	(307,382)	114,901
Information and Communication Technology	222,705	(164,497)	58,208	193,037	(147,286)	45,751
Leased Assets	77,615	(34,545)	43,070	30,302	(20,590)	9,712
Library Resources	87,753	(80,160)	7,593	103,809	(93,853)	9,956
Balance at 31 December	1,086,816	(714,669)	372,147	987,303	(666,929)	320,374

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	44,327	26,023	26,023
Accruals	4,717	4,580	4,580
Employee Entitlements - Salaries	114,246	111,135	111,135
Employee Entitlements - Leave Accrual	11,001	10,142	10,142
	174,291	151,880	151,880
Payables for Exchange Transactions	174,291	151,880	151,880
	174,291	151,880	151,880

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other Revenue in Advance	6,627	8,568	8,568
	6,627	8,568	8,568

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	68,400	68,400	58,400
Increase to the Provision During the Year	10,632	10,000	10,000
Use of the Provision During the Year	(769)	(7,000)	-
Provision at the End of the Year	78,263	71,400	68,400
Cyclical Maintenance - Current	28,706	53,000	6,300
Cyclical Maintenance - Non-current	49,557	18,400	62,100
	78,263	71,400	68,400

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	22,700	6,219	6,219
Later than One Year and no Later than Five Years	20,923	4,405	4,405
Future Finance Charges	(1,460)	(965)	(965)
	42,163	9,659	9,659
Represented by:			
Finance lease liability - Current	21,635	5,549	5,549
Finance lease liability - Non current	20,528	4,110	4,110
	42,163	9,659	9,659

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP AMS CP: 2: ILE Upgrade #212638/39	28,909	-	(71,513)	-	(42,604)
Water Damage	(4,400)	6,621	(2,221)	-	-
Learning Support Modification #231921	-	79,500	(24,995)	-	54,505
Totals	24,509	86,121	(98,729)	-	11,901

Represented by:

Funds Held on Behalf of the Ministry of Education	54,505
Funds Receivable from the Ministry of Education	(42,604)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP AMS CP: 2: ILE Upgrade #212638/39	511,919	75,429	(558,439)	-	28,909
Water Damage	-	-	(4,400)	-	(4,400)
Totals	511,919	75,429	(562,839)	-	24,509

Represented by:

Funds Held on Behalf of the Ministry of Education	28,909
Funds Receivable from the Ministry of Education	(4,400)

17. 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.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	(8,910)	(8,910)	26,028
Funds Received from Cluster Members	80,017	28,000	-
Funds Spent on Behalf of the Cluster	(53,157)	(23,000)	(34,938)
Funds Held at Year End	17,950	(3,910)	(8,910)

18. 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 to share professional support.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	(2,936)	(2,936)	2,461
Funds Received from Cluster Members	52,130	44,811	44,426
Funds Spent on Behalf of the Cluster	(38,798)	(45,062)	(49,823)
Funds Held at Year End	10,396	(3,187)	(2,936)

19. 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.

20. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,995	2,910
<i>Leadership Team</i>		
Remuneration	533,387	437,844
Full-time equivalent members	5.00	4.00
Total key management personnel remuneration	537,382	440,754

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member 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 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	60 - 70
Benefits and Other Emoluments	3-4	1-2
Termination Benefits	0 - 0	0 - 0

Principal 2

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	0 - 0	60 - 70
Benefits and Other Emoluments	0 - 0	1-2
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	2022 FTE Number	2021 FTE Number
100 -110	2.00	1.00
110 -120	-	1.00
	2.00	2.00

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

21. 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 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:

	2022 Actual	2021 Actual
Total	\$ -	\$ -
Number of People	-	-

22. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

Additional funding wash up payment:

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting .

23. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) \$79,500 has been received from the Ministry of Education (Design Release Fees) in relation to Learning Support Accessibility project. The total expected budget for the project is \$1,185,000 of which \$24,995 has been spent at balance date.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$24,509)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts.

(a) operating lease of a photocopier;

	2022 Actual \$	2021 Actual \$
No later than One Year	2,244	-
	<u>2,244</u>	<u>-</u>

(Operating commitments at 31 December 2021: nil)

24. Financial Instruments

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

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	196,416	146,972	125,962
Receivables	114,015	100,814	100,814
Investments - Term Deposits	165,811	164,635	164,635
Total Financial assets measured at amortised cost	<u>476,242</u>	<u>412,421</u>	<u>391,411</u>

Financial liabilities measured at amortised cost

Payables	174,291	151,880	151,880
Finance Leases	42,163	9,659	9,659
Total Financial liabilities measured at amortised Cost	<u>216,454</u>	<u>161,539</u>	<u>161,539</u>

25. Events After Balance Date

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

26. Comparatives

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

2022 Analysis of Variance Student Achievement in Mathematics

Our vision: Classroom programmes that reflect a commitment to high-quality teaching and learning.					
Achievement Target: All students identified as achieving below the curriculum expectation in Maths in 2021 will be on track to reach expectation by the end of Year 6.					
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting
Numeracy data indicates that student achievement in Mathematics is varied. This is especially so 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	NUMPA PAT Jam (Juniors)	End 2022	Milestones to Board / MoE mid and end of years
Action plan		Responsibility		Resources	Outcomes
Refining assessment systems across the school		Principal SENCO Leadership & Staff		Massey University ERO	Using PAT to monitor individual progress and look at value added progress
Identifying priority learners and investigating the use of PACT on this group		Principal SENCO Leadership & Staff			Raised/accelerated achievement for identified in-class priority learners
Actual outcomes				Accounting for variance	Implications for future development
<ul style="list-style-type: none"> In 2022 75% of all students are achieving at or above in Maths and this is compared 2021 76% of all students are achieving at or above in Math 59% of Maori students are achieving at or above their expected level for Mathematics and Statistics this is compared to 54% in 2021 75% of Pasifika students are achieving at or above their expected level for Mathematics and Statistics this is compared to 67 % in 2021 				<ul style="list-style-type: none"> Teachers are continuing to change their practice through new pedagogy We now analyse across the curriculum instead of just number Using different assessment tools and a variety of tools are being used schoolwide The teachers have received professional development but this has not yet raised achievement as we are looking for long-term change across the school. 	<ul style="list-style-type: none"> What children are doing with independent tasks and aligning with planning, delivery, and assessment Further developing schoolwide assessment tools and analysing the gaps in knowledge

2022 Qualitative Goal: Teaching and Learning in Writing

Our vision: Classroom programmes that reflect a commitment to high-quality teaching and learning.						
Achievement target: There will be a 10% shift of students moving from at to above in Writing						
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting	
10% of students were achieving above in Writing schoolwide	Classroom programmes will focus on extending children who are achieving at		PAT PACT	End 2022	Milestones to Board / MoE mid and end of years	
Action plan		Responsibility		Resources	Outcomes	
Refining learning support systems and identifying students in priority groups		Principal SENCO Leadership and Staff		School wide moderation	Teachers are beginning to moderate	
Clear, explicit expectations for quality and effective teaching		Principal SENCO Leadership & Staff		Interlead Reflective Journals	Raised/accelerated achievement for all students	
Actual outcomes				Accounting for Variance	Implications for the future	
<ul style="list-style-type: none"> In 2022 12% of all students are achieving above in Writing and this is compared 2021 10% of all students are achieving above in Writing 9% of Maori students are achieving above their expected level for Writing and this is compared to 11 % in 2021 25% of Pasifika students are achieving at or above their expected level for Writing and this is compared to 0 % in 2021 				<ul style="list-style-type: none"> The teachers have been introduced to PACT as a tool but it is only the start of the journey. More professional development is required schoolwide. 	<ul style="list-style-type: none"> Continue with professional development in PACT 	

Mornington School 3776

1. Variance Report for KiwiSport Funding 2022

Last financial year the School received **\$3845.53** excl. in Operational funding targeted for KiwiSport.

The aim of the funding is to increase participation in sport for all New Zealand children.

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

Carmel Jolly
Principal

School No: 3776

School Name: Mornington School

School Year: 2022

Calculation Date: 19-Sep-2022

Initial Calculation		
Component	Category / Roll	Entitlement Value
Base Funding	A	10,016.57
Total Roll	257	N/A
Y1 - Y6 Roll	257	215,428.57
Relieving Teachers	14.01 FTE, Rate 6	50,509.10
Vandalism	High Risk	4,532.14
Targeted Funding	Decile 7 Rate O	17,487.17
Special Educ Grant	Decile 7	13,720.37
ICT Funding	257	14,755.74
KiwiSport Y1 - Y8	257	3,665.04
Funding in lieu of Donations	256 per annum	38,400.00
Property Maintenance		25,185.22
Heat, Light, Water		20,974.78
Nett Entitlement		\$414,674.70

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MORNINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, 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 2022; 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 26 June 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our responsibilities arises 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 on 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