

## **Morrinsville School**

### **ANNUAL FINANCIAL REPORT 2022**

#### **Te Pūronga ā-tau**



**Te Ahunga – The Mission**

**Kia Tipu, Kia Hua, Kia Puaawai**

**To Grow, Prosper and Sustain**

# MORRINSVILLE SCHOOL

## Te Kura o Morenawhira

### ANNUAL REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2022

##### School Directory

**Ministry Number:** 1834

**Principal:** Shay Noonan

**School Addresss:** Lincoln Street  
Morrinsville

**School Postal Address:** Lincoln Street  
Morrinsville

**School Phone:** 07 8897250

**School Email:** [reception@morrinsville.school.nz](mailto:reception@morrinsville.school.nz)

Name:	Position:	How Position Gained:	Term Expired
Shay Noonan	Principal	ex Officio	June 2025
Brett Johstone	Parent Rep	Elected	June 2025
Michael Carey	Parent Rep	Co-Opted	June 2025
Lynda Brunton	Parent Rep	Co-Opted	June 2025
Marcus Taupo	Parent Rep	Elected	June 2025
Nicole Healey	Staff Rep	Elected	June 2025
Ray Hohipa	Parent Rep	Elected	June 2025
Lycinda Lett	Parent Rep	Elected	June 2025
Grant Briscoe	Parent Rep	Co-Opted	
Rebecca Taulu	Parent Rep	Co-opted	June 2025

**Accountant/Service Provider:** Lynda Brunton

# MORRINSVILLE SCHOOL

ANNUAL REPORT - For the year ended 31 December 2022

Page	Statement
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	<b>Financial Statements</b>
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2	Statement of Responsibility
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7-22	Notes to Financial Statements

	Statement of Resources
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	Kiwisport
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	Compliance with Good Employer Policy
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	Analysis of Variance
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	Auditors Report
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# Morrinsville School

## Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operation of

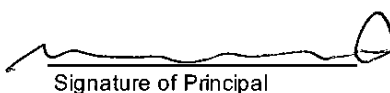
The School's 2022 financial statements are authorised for issue by the Board.

Brett Charles Johnstone  
Full Name of Board Chairperson

  
Signature of Board Chairperson

22/6/23  
Date:

James Francis Noonan  
Full Name of Principal

  
Signature of Principal

22/6/23  
Date:

# Morrinsville School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	2,292,230	477,736	2,152,975
Locally Raised Funds	3	150,149	97,100	90,840
Interest Eamed		4,599	300	1,404
Gain on Sale of Plant & Equipment		-	-	5,652
		2,446,978	575,136	2,250,871
<b>Expenses</b>				
Locally Raised Funds	3	109,112	79,700	106,744
Learning Resources	4	1,443,090	143,150	1,480,192
Administration	5	437,000	142,400	279,876
Property	6	471,424	139,840	442,448
Impairment of Property, Plant and Equipment	11	2,690	-	519
		2,463,316	505,090	2,309,779
<b>Net Surplus / (Deficit)</b>		(16,338)	70,046	(58,908)
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		(16,338)	70,046	(58,908)

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

**Morrinsville School****Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2022

	Actual 2022 \$	Budget (Unaudited) 2022 \$	Actual 2021 \$
<b>Balance at 1 January</b>	343,035	343,035	396,461
Total comprehensive revenue and expense for the year	(16,338)	70,046	(58,908)
Capital Contributions from the Ministry of Education	-	-	5,482
Contribution - Furniture and Equipment Grant	-	-	-
<b>Equity at 31 December</b>	326,697	413,081	343,035
Accumulated Comprehensive Revenue and Expense	326,697	413,082	343,035
Reserves	-	-	-
<b>Equity at 31 December</b>	326,697	413,082	343,035

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.

**Morrinsville School**  
**Statement of Financial Position**  
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	-	100,194	31,152
Accounts Receivable	8	87,361	100,013	100,013
Funds Owing for Capital Works Projects	16	7,155	-	-
GST Receivable		1,166	641	640
Prepayments		5,692	5,287	19,612
Inventories	9	1,227	1,226	1,226
Investments	10	95,716	142,252	141,952
		198,317	349,613	294,595
<b>Current Liabilities</b>				
Cash and Cash Equivalents	7	10	-	-
Accounts Payable	12	158,593	120,435	120,435
Revenue Received in Advance	13	9,925	55,031	55,031
Provision for Cyclical Maintenance	14	25,500	103,000	103,000
Finance Lease Liability - Current Portion	15	8,147	10,873	10,873
Funds held for Capital Works Projects	16	2,863	-	3,528
Funds for RTLB Services		485	485	485
		205,523	289,824	293,352
<b>Working Capital Surplus/(Deficit)</b>		(7,206)	59,789	1,243
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	395,367	369,402	364,902
		395,367	369,402	364,902
<b>Non-Current Liabilities</b>				
Provision for Cyclical Maintenance	14	50,306	4,876	4,876
Finance Lease Liability	15	11,158	11,234	18,234
		61,464	16,110	23,110
<b>Net Assets</b>		326,697	413,081	343,035
<b>Equity</b>		326,697	413,081	343,035

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



**Morrinsville School**  
**Statement of Cash Flows**  
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		769,581	523,985	766,934
Locally Raised Funds		114,696	84,853	136,757
Goods and Services Tax (net)		(525)	595	(928)
Payments to Employees		(527,600)	(291,091)	(445,932)
Payments to Suppliers		(323,929)	(205,747)	(422,644)
Interest Received		4,599	300	1,405
Net cash from / (to) the Operating Activities		36,822	112,895	35,592
<b>Cash flows from Investing Activities</b>				
Purchase of Sale of PPE		-	-	5,652
Purchase of PPE		(96,597)	(26,427)	(45,202)
Purchase of Investments	11	46,237	39	(1,240)
Net cash from / (to) the Investing Activities		(50,360)	(26,388)	(40,790)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	5,482
Finance Lease Payments		(9,802)	(9,052)	(10,852)
Funds Held for Capital Works Projects		(7,820)	-	3,528
Net cash from Financing Activities		(17,622)	(9,052)	(1,842)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(31,161)</b>	<b>77,456</b>	<b>(7,040)</b>
Cash and cash equivalents at the beginning of the year	7	31,151	31,150	38,190
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>(10)</b>	<b>108,606</b>	<b>31,150</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Morrinsville 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.

#### b) Basis of Preparation

##### *Reporting Period*

The financial reports 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 has been taken.

##### *Measurement Base*

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

##### *Presentation Currency*

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

##### *Specific Accounting Policies*

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

##### *Critical Accounting Estimates And Assumptions*

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

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

##### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 year Property Planning process. During the year, the Board assesses the reasonableness of its 10 year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 15.

## **Morrinsville School**

# **Notes to the Financial Statements**

For the year ended 31 December 2022

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### ***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 12.

### ***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 31b.

#### ***Recognition of grants***

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

### **c) Revenue Recognition**

#### ***Government Grants***

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

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

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. 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 building 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 released to revenue as the conditions are fulfilled.

# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

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### ***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.

### **d) Operating Lease Payments**

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

### **e) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

### **f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The school's receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered material. However, short term receivables are written off when there is no reasonable expectation of recovery.

### **h) Inventories**

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

### **i) Investments**

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



## Morrinsville School

# Notes to the Financial Statements

For the year ended 31 December 2022

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### j) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

### Finance Leases

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

### Depreciation

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

The estimated useful lives of the assets are:

Board owned Buildings	10 - 75 years
Furniture	3 - 20 years
Information and Communication Technology	3 - 15 years
Motor Vehicles	10 - 15 years
Leased Assets held under a Finance Lease	term of lease
Library Resources	12.5% Diminishing value

### k) Intangible Assets

#### Software Costs

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

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

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

## **Morrinsville School**

# **Notes to the Financial Statements**

For the year ended 31 December 2022

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### **l) Impairment of property, plant, and equipment and intangible assets**

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

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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. 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.

### **m) 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.

### **n) Employee Entitlements**

#### *Short-term employee entitlements*

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

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

#### *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 surplus or deficit in the period in which they arise.

### **o) Revenue Received in Advance**

Revenue received in advance relates to fees received from 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 uneamed fees in relation to grants received, should the School be unable to provide the services to which they relate.

## **Morrinsville School**

# **Notes to the Financial Statements**

**For the year ended 31 December 2022**

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### **p) Funds Held in Trust**

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

The school holds sufficient funds to be used for their intended purpose at any time.

### **q) 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 Revenue and Expense.

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

### **q) Provision for Cyclical Maintenance**

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on 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 schools carries out painting maintenance of the whole school over a 7 to 10 year period, 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.

### **r) 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract 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 surplus or deficit.

### **s) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on borrowings is subsequently accrued and added to the borrowing 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 the balance date.

### **t) 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, Inland Revenue, 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.



**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

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**u) Budget Figures**

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

**v) 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.

**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

**2. Government Grants**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Government Grants - Ministry of Education	960,444	477,736	500,946
Teachers' Salaries Grants	1,026,468	-	1,121,826
Use of Land and Buildings grants	274,552	-	254,016
Other MoE Grants	-	-	213,012
Other Grants	30,766	-	63,175
	<u>2,292,230</u>	<u>477,736</u>	<u>2,152,975</u>

The school has opted into the donations scheme in 2022. Total amount received for 2022 was \$28,8000 (2021:\$31,200)

**3. Locally Raised Funds**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	74,995	30,000	29,815
Trading	9,233	15,100	5,924
Activities	65,921	52,000	55,101
	<u>150,149</u>	<u>97,100</u>	<u>90,840</u>
<b>Expenses</b>			
Trading	24,825	20,200	22,427
Activities	84,287	59,500	84,317
	<u>109,112</u>	<u>79,700</u>	<u>106,744</u>
<i>Surplus for the year Locally raised funds</i>	<u>41,037</u>	<u>17,400</u>	<u>(15,904)</u>

**4. Learning Resources**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	17,973	10,850	12,630
Equipment Repairs	909	300	343
Information and Communication Technology	53,586	28,500	33,647
Employee benefits - salaries	1,305,081	100,800	1,357,505
Staff development	2,097	2,200	4,928
Library Books	-	500	30
Depreciation	63,444	-	71,109
	<u>1,443,090</u>	<u>143,150</u>	<u>1,480,192</u>

**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

**5. Administration**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	7,161	4,000	6,953
Board of Trustees Fees	4,260	6,000	5,690
Board of Trustees Expenses	5,209	2,000	2,914
Communication	1,820	1,500	1,512
Consumables	7,744	6,250	5,378
Operating Lease	517	-	875
Other	3,745	2,050	3,708
Employee Benefits - Salaries	175,694	111,600	109,771
Healthy Schools Lunch Programme	221,629	-	134,008
Insurance	6,425	7,000	6,962
Service Providers, Contractors and Consultancy	2,796	2,000	2,105
	<u>437,000</u>	<u>142,400</u>	<u>279,876</u>

**6. Property**

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	14,610	9,000	11,775
Consultancy and Contract Services	2,510	3,000	2,191
Cyclical Maintenance Provision	(610)	500	8,550
Grounds	11,883	7,000	7,006
Heat, Light and Water	23,004	18,500	26,719
Rates	5,604	5,500	5,664
Repairs and Maintenance	38,825	15,100	23,508
Use of Land and Buildings	274,552	-	254,016
Security	6,563	3,700	3,689
Employee Benefits - Salaries	94,483	77,540	99,330
	<u>471,424</u>	<u>139,840</u>	<u>442,448</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	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Westpac Current Account	(141)	90,393	21,351
Westpac Call Accounts	131	9,801	9,801
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>(10)</u>	<u>100,194</u>	<u>31,152</u>



**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

**8. Accounts Receivable**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	6,631	16,283	16,283
Teacher Salaries Grant Receivable	80,730	83,730	83,730
	<u>87,361</u>	<u>100,013</u>	<u>100,013</u>
Receivables from Exchange Transactions	6,631	16,283	16,283
Receivables from Non-Exchange Transactions	80,730	83,730	83,730
	<u>87,361</u>	<u>100,013</u>	<u>100,013</u>

**9. Inventories**

	2022	2022	2021
	\$	\$	\$
Stationery	1,227	1,226	1,226
	<u>1,227</u>	<u>1,226</u>	<u>1,226</u>

**10. Investments**

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	95,715	142,252	141,952

The carrying value of short term deposits held three to twelve month approximates their fair value at 31 December 2022.

# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Profit/ Impairment \$	Depreciation \$	Total (NBV) \$
<b>2022</b>						
Buildings	203,642	52,185	-	-	(21,109)	234,718
Furniture & Fittings	62,959	9,900	-	(2,140)	(10,670)	60,049
Information and Communication Technology	33,133	32,156	-	-	(20,330)	44,959
Motor Vehicles	30,945	-	-	-	(3,510)	27,435
Leased Assets	24,305	1,387	-	(941)	(6,414)	18,337
Library Resources	9,918	971	-	391	(1,410)	9,870
<b>Balance at 31 December 2022</b>	<b>364,902</b>	<b>96,599</b>	<b>-</b>	<b>(2,690)</b>	<b>(63,443)</b>	<b>395,368</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2022</b>			
Buildings	662,457	(427,739)	234,718
Furniture & Fittings	291,167	(231,118)	60,049
Information and Communication Technology	264,870	(219,911)	44,959
Motor Vehicles	39,744	(12,309)	27,435
Leased Assets	41,406	(23,070)	18,336
Library Resources	70,398	(60,528)	9,870
<b>Balance at 31 December 2022</b>	<b>1,370,042</b>	<b>(974,675)</b>	<b>395,367</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2021</b>						
Buildings	218,920	6,640	-	-	(21,918)	203,642
Furniture & Fittings	67,585	6,373	-	-	(10,998)	62,959
Information and Communication Technology	19,829	31,699	-	-	(18,395)	33,133
Motor Vehicles	34,454	-	(5,652)	5,652	(3,510)	30,945
Leased Assets	39,114	-	-	-	(14,809)	24,305
Library Resources	11,426	490	-	(519)	(1,479)	9,918
<b>Balance at 31 December 2021</b>	<b>391,328</b>	<b>45,202</b>	<b>(5,652)</b>	<b>5,133</b>	<b>(71,109)</b>	<b>364,902</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2021</b>			
Buildings	610,272	(406,630)	203,642
Furniture & Fittings	308,205	(245,246)	62,959
Information and Communication Technology	273,647	(240,514)	33,133
Motor Vehicles	56,744	(25,799)	30,945
Leased Assets	44,427	(20,122)	24,305
Library Resources	68,669	(58,751)	9,918
<b>Balance at 31 December 2021</b>	<b>1,361,964</b>	<b>(997,062)</b>	<b>364,902</b>

**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

**12. Accounts Payable**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	29,890	9,922	9,922
Employee Entitlements - Salaries	80,730	83,730	83,730
Employee Entitlements - Leave Accrual	47,973	26,783	26,783
	<u>158,593</u>	<u>120,435</u>	<u>120,435</u>
Payables for Exchange Transactions	158,593	120,435	120,435
	<u>158,593</u>	<u>120,435</u>	<u>120,435</u>

The carrying value of payables approximates their fair value.

**13. Revenue Received in Advance**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Conditional Grants Received but not spent	8,780	55,031	55,031
Childsplay Fees received in advance	1,145	-	-
	<u>9,925</u>	<u>55,031</u>	<u>55,031</u>

**14. Provision for Cyclical Maintenance**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	107,876	107,876	99,326
Increase to the Provision During the Year	10,317	500	8,550
Other adjustments	(20,387)	-	-
Use of the Provision During the Year	(22,000)	(5,000)	-
Provision at the End of the Year	<u>75,806</u>	<u>103,376</u>	<u>107,876</u>
Cyclical Maintenance - Current	25,500	98,000	103,000
Cyclical Maintenance - Non Current	50,306	5,376	4,876
	<u>75,806</u>	<u>103,376</u>	<u>107,876</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan but is reviewed each year to identify the need for work to be done. An adjustment to the provision has been made in 2022 to take into account the delayed expected dates on some of the painting.



**Morrinsville School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2022

**15. Finance Lease Liability**

The School has entered into a finance lease agreement for a photocopier and laptops. Minimum lease payments payable by the school and MOE.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	8,147	10,873	10,873
Later than One Year and no Later than Five Years	11,159	11,234	18,234
Later than 5 Years	-	-	-
	<u>19,306</u>	<u>22,107</u>	<u>29,107</u>

**16. Funds Held for Capital Works Projects**

During the year the School received and applied for 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 \$	BOT contributions (Write-off to R&M) \$	Closing Balances \$
5YP - SIP Project 5YP - 22/23	<i>in progress</i>	3,528	153,247	153,912 7,155	-	2,863 (7,155)
Totals		<u>3,528</u>	<u>153,247</u>	<u>161,067</u>	<u>-</u>	<u>(4,292)</u>

**Represented by:**

Funds held on Behalf of the Ministry of Education	2,863
Funds Due from the Ministry of Education	(7,155)
	<u>(4,292)</u>

	2021	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT contributions (Write-off to R&M) \$	Closing Balances \$
5YP - SIP Project <i>in progress</i>		-	13,700	10,172	-	3,528
Totals		<u>-</u>	<u>13,700</u>	<u>10,172</u>	<u>-</u>	<u>3,528</u>

**Represented by:**

Funds held on Behalf of the Ministry of Education	3,528
Funds Due from the Ministry of Education	-
	<u>3,528</u>

# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 17. 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.

### 18. Remuneration

#### Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	4,260	3,850
Full-time equivalent members	0.17	0.17
<i>Leadership Team</i>		
Remuneration	349,871	346,574
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	354,131	350,424
Total full-time equivalent personnel	3.17	3.17

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, 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140-150
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

#### 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	3

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



# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 19. 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:

	2022 Actual	2021 Actual
Total	-	-
Number of people	-	-

### 20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

#### *Holiday Act Compliance*

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

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

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

### 21. Commitments

#### (a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for MOE capital works projects as follows;

a) SIP contract entered into during the 2021 year for upgrading the administration and reception area, fully funded by the Ministry of Education. \$166,947 has been received by the Ministry with \$164,084 spent to date. Completion date is expected in early 2023.

b) 5YA contract entered into during the 2022 year for a classroom refurbishment which will be funded by the Ministry of Education. \$7,155 has been spent in the 2022 with funds received from the Ministry in January of \$90,000. This is expected to be completed in 2023.

(Capital commitments at 31 December 2021: Projects nil except for capital works)

#### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts. (2021: nil)

### 22. 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.

# Morrinsville School

## Notes to the Financial Statements

For the year ended 31 December 2022

### 23. 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	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	(10)	100,194	31,152
Receivables	87,361	100,013	100,013
Investments - Term Deposits	95,715	141,952	141,952
Total Financial assets measured at amortised cost	183,066	342,159	273,117

#### Financial liabilities measured at amortised cost

Payables	158,593	120,435	120,435
Finance Leases	19,306	22,107	29,107
Total Financial Liabilities Measured at Amortised Cost	177,899	142,542	149,542

### 24. Events After Balance Date

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

### 25. Breach - Section 137 of the Education Training Act 2020

The Board of Trustees has failed to comply with section 137 of the Education Training Act 2020, as the Board was unable to submit its annual financial statements by 31 May 2023.

*Delays in getting the 2021 Annual Financial statements signed off in April 2023 have resulted in delays getting the 2022 statements finalised.*



**INDEPENDENT AUDITOR'S REPORT****TO THE READERS OF MORRINSVILLE SCHOOL'S  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of Morrinsville School (the School). The Auditor-General has appointed me, Brendan Lyon, using the staff and resources of Crowe, to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

We have audited the financial statements of the School on pages 2 to 22, that comprise the Statement of Financial Position as at 31 December 2022, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement 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 22 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.

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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the Statement of Resources, Kiwisport, Compliance with Good Employer Policy, Analysis of Variance 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.



Brendan Lyon  
Crowe New Zealand Audit Partnership<sup>1</sup>  
On behalf of the Auditor-General  
Auckland New Zealand

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<sup>1</sup> The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.