POROTI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	1083
Principal:	Pauline Johnson
School Address:	673 Mangakahia Road, Poroti
School Postal Address:	673 Mangakahia Road , RD 9, Whangarei, 0179
School Phone:	09 434 6867
School Email:	porotischool@xtra.co.nz
Accountant / Service Provider:	Education Services *Dedicated to your school*

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Poroti School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue				
Government Grants	2	488,816	436,148	494,736
Locally Raised Funds	3	31,086	4,450	41,813
Interest Income		1,444	-	2,319
Other Revenue		773	-	-
		522,119	440,598	538,868
Expenses				
Locally Raised Funds	3	2,800	1,650	4,209
Learning Resources	4	314,017	269,553	317,815
Administration	5	72,952	51,338	45,184
Finance		514	328	559
Property	6	92,035	104,868	109,757
Depreciation	10	16,009	12,001	12,951
Loss on Disposal of Property, Plant and Equipment		605	-	-
		498,932	439,738	490,475
Net Surplus / (Deficit) for the year		23,187	860	48,393
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		23,187	860	48,393

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

BENNETT & ASSOCIATES AUDIT

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Poroti School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Equity at 1 January		160,490	119,165	111,452
Total comprehensive revenue and expense for the year		23,187	860	48,393
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,875	-	645
Equity at 31 December		185,552	120,025	160,490
Retained Earnings		185,552	120,025	160,490
Equity at 31 December		185,552	120,025	160,490

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.

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Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Current Assets				
Cash and Cash Equivalents	7	140,357	96,861	182,142
Accounts Receivable	8	23,567	14,219	23,767
GST Receivable		8,339	1,272	-
Prepayments		4,781	3,862	4,237
Investments	9	106,509	70,761	65,755
		283,553	186,975	275,901
Current Liabilities				
GST Payable		-	-	11,918
Accounts Payable	11	26,648	47,008	28,361
Revenue Received in Advance	12	952	1,945	-
Provision for Cyclical Maintenance	13	78,579	44,458	44,769
Finance Lease Liability	14	2,421	1,628	2,419
Funds held for Capital Works Projects	15	33,301	-	42,292
		141,901	95,039	129,759
Working Capital Surplus/(Deficit)		141,652	91,936	146,142
Non-current Assets				
Property, Plant and Equipment	10	61,641	43,349	63,946
		61,641	43,349	63,946
Non-current Liabilities				
Provision for Cyclical Maintenance	13	16,364	10,999	45,800
Finance Lease Liability	14	1,377	4,261	3,798
		17,741	15,260	49,598
Net Assets		185,552	120,025	160,490
Equity		185,552	120,025	160,490

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

BENNETT & ASSOCIATES AUDIT

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Poroti School
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash flows from Operating Activities				
Government Grants		144,907	143,541	154,977
Locally Raised Funds		32,596	4,450	39,802
Goods and Services Tax (net)		(20,257)	-	13,190
Payments to Employees		(73,172)	(69,789)	(68,230)
Payments to Suppliers		(63,148)	(106,192)	(61,473)
Interest Paid		(514)	(328)	(559)
Interest Received		1,434	-	2,633
Net cash from/(to) Operating Activities		21,846	(28,318)	80,340
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(14,309)	(500)	(17,615)
Purchase of Investments		(70,754)	-	(55,288)
Proceeds from Sale of Investments		30,000	-	60,294
Net cash from/(to) Investing Activities		(55,063)	(500)	(12,609)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,875	-	645
Finance Lease Payments		(1,530)	(2,822)	(1,317)
Funds Administered on Behalf of Third Parties		(8,913)	-	(13,418)
Net cash from/(to) Financing Activities		(8,568)	(2,822)	(14,090)
Net increase/(decrease) in cash and cash equivalents		(41,785)	(31,640)	53,641
Cash and cash equivalents at the beginning of the year	7	182,142	128,501	128,501
Cash and cash equivalents at the end of the year	7	140,357	96,861	182,142

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.

BENNETT & ASSOCIATES AUDIT

Poroti School
Notes to the Financial Statements
For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity
Poroti School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

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

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

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

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

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

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

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

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

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

Cyclical maintenance
A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

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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 10.

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

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

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

c) Revenue Recognition

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

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

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

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

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

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

BENNETT & ASSOCIATES AUDIT

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

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

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

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

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

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

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

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

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

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

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 years
Leased Assets	3 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

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k) Intangible Assets
Software costs
Computer software acquired by the School are 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.

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.

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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

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

Long-term employee entitlements
Employee benefits that are not expected to be settled wholly before twelve 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.

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

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

BENNETT & ASSOCIATES AUDIT

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 enable the funds to be used for their intended purpose at any time.

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

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

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

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

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

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

t) Borrowings
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

u) 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.

v) Budget Figures
The budget figures are extracted from the School budget that was approved by the Board.

w) 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.

BENNETT & ASSOCIATES AUDIT

2. Government Grants

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Operational Grants	116,165	118,861	107,654
Teachers' Salaries Grants	243,103	212,051	249,019
Use of Land and Buildings Grants	73,542	80,556	91,164
Other MoE Grants	56,006	24,680	46,899
	488,816	436,148	494,736

The school has opted in to the donations scheme for this year. Total amount received was $4,200.

3. Locally Raised Funds

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

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Revenue			
Donations & Bequests	4,245	1,300	3,873
Fees for Extra Curricular Activities	1,828	900	1,347
Trading	1,360	750	1,302
Fundraising & Community Grants	23,653	1,500	35,291
	31,086	4,450	41,813
Expenses			
Extra Curricular Activities Costs	721	-	477
Trading	1,672	1,000	1,772
Fundraising & Community Grant Costs	407	650	1,960
	2,800	1,650	4,209
Surplus for the year Locally raised funds	28,286	2,800	37,604

4. Learning Resources

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Curricular	14,628	12,920	26,236
Equipment Repairs	5,650	1,250	1,073
Information and Communication Technology	1,512	600	214
Library Resources	260	380	372
Employee Benefits - Salaries	289,598	249,684	287,176
Staff Development	2,369	4,719	2,744
	314,017	269,553	317,815

BENNETT & ASSOCIATES AUDIT

5. Administration

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Audit Fee	3,900	4,140	3,700
Board Fees	880	1,500	1,320
Board Expenses	1,864	2,850	2,479
Communication	1,113	1,250	1,111
Consumables	1,119	1,310	1,017
Other	3,078	1,680	2,786
Employee Benefits - Salaries	27,403	32,156	26,389
Insurance	1,998	2,000	1,990
Service Providers, Contractors and Consultancy	4,452	4,452	4,392
Healthy School Lunch Programme	27,145	-	-
	72,952	51,338	45,184

6. Property

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Caretaking and Cleaning Consumables	1,431	1,870	1,643
Cyclical Maintenance Provision	4,374	9,642	5,911
Grounds	5,183	6,800	6,536
Heat, Light and Water	5,603	4,500	4,686
Repairs and Maintenance	1,456	1,100	169
Use of Land and Buildings	73,542	80,556	91,164
Security	946	400	798
Consultancy And Contract Services	(500)	-	(1,150)
	92,035	104,868	109,757

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

7. Cash and Cash Equivalents

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Bank Accounts	39,919	96,861	101,221
Short-term Bank Deposits	100,438	-	80,921
Cash and cash equivalents for Statement of Cash Flows	140,357	96,861	182,142

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

Of the $140,357 Cash and Cash Equivalents $33,512 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 2022 on Crown owned school buildings.

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8. Accounts Receivable

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Receivables	3,134	-	691
Banking Staffing Underuse	-	2,540	3,863
Interest Receivable	168	472	158
Teacher Salaries Grant Receivable	20,265	11,207	19,055
	23,567	14,219	23,767
Receivables from Exchange Transactions	3,302	472	849
Receivables from Non-Exchange Transactions	20,265	13,747	22,918
	23,567	14,219	23,767

9. Investments

The School's investment activities are classified as follows:

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Current Asset			
Short-term Bank Deposits	106,509	70,761	65,755
Total Investments	106,509	70,761	65,755

BENNETT & ASSOCIATES AUDIT

10. Property, Plant and Equipment

2021	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	13,288	-	-	-	(1,049)	**12,239**
Building Improvements	7,891	-	-	-	(1,043)	**6,848**
Furniture and Equipment	27,618	8,560	(605)	-	(6,571)	**29,002**
Information and Communication Technology	11,489	5,736	-	-	(5,783)	**11,442**
Leased Assets	3,438	-	-	-	(1,526)	**1,912**
Library Resources	222	13	-	-	(37)	**198**
Balance at 31 December 2021	63,946	14,309	(605)	-	(16,009)	**61,641**

The net carrying value of equipment held under a finance lease is $1,912 (2020: $3,438)

	2021 Cost or Valuation $	2021 Accumulated Depreciation $	2021 Net Book Value $	2020 Cost or Valuation $	2020 Accumulated Depreciation $	2020 Net Book Value $
Buildings	41,937	(29,698)	**12,239**	41,937	(28,649)	**13,288**
Building Improvements	44,207	(37,359)	**6,848**	44,207	(36,316)	**7,891**
Furniture and Equipment	101,215	(72,213)	**29,002**	97,454	(69,836)	**27,618**
Information and Communication Technology	36,461	(25,019)	**11,442**	45,125	(33,636)	**11,489**
Leased Assets	4,581	(2,669)	**1,912**	4,581	(1,143)	**3,438**
Library Resources	40,758	(40,560)	**198**	40,745	(40,523)	**222**
Balance at 31 December	269,159	(207,518)	**61,641**	274,049	(210,103)	**63,946**

11. Accounts Payable

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Creditors	2,040	32,060	5,281
Accruals	3,900	3,600	3,700
Employee Entitlements - Salaries	20,265	11,207	19,055
Employee Entitlements - Leave Accrual	443	141	325
	26,648	47,008	28,361
Payables for Exchange Transactions	26,648	47,008	28,361
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	26,648	47,008	28,361

The carrying value of payables approximates their fair value.

BENNETT & ASSOCIATES AUDIT

12. Revenue Received in Advance

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Other Received In Advance	952	1,945	-
	952	1,945	-

13. Provision for Cyclical Maintenance

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Provision at the Start of the Year	90,569	45,815	84,658
Increase to the Provision During the Year	9,103	9,642	9,331
Adjustment to the Provision	(4,729)	-	(3,420)
Provision at the End of the Year	94,943	55,457	90,569
Cyclical Maintenance - Current	78,579	44,458	44,769
Cyclical Maintenance - Term	16,364	10,999	45,800
	94,943	55,457	90,569

14. Finance Lease Liability

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

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
No Later than One Year	2,683	1,628	2,933
Later than One Year and no Later than Five Years	1,439	4,261	4,122
Future finance charges	(324)	-	(838)
	3,798	5,889	6,217
Represented by			
Finance lease liability - Current	2,421	1,628	2,419
Finance lease liability - Term	1,377	4,261	3,798
	3,798	5,889	6,217

BENNETT & ASSOCIATES AUDIT

15. Funds Held (Owed) for Capital Works Projects

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

2021	Project No.	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
BLK 1-5 Roofing/Drainage	216751	3,571	-	(3,571)	-	-
Carpentry & Deck Repairs Blks 1-4	215454	(3,443)	3,444	(1)	-	-
Fencing and Court Repairs income	224473	42,664	-	(42,875)	-	(211)
Drainage & Stormwater	221082	(500)	42,447	(23,321)	-	18,626
LSC Block 4	220013	-	74,250	(63,327)	-	10,923
Toilet Block & Ceiling Linings	233702	-	4,531	(568)	-	3,963
Totals		42,292	124,672	(133,663)	-	33,301

Represented by:

Funds Held on Behalf of the Ministry of Education	33,512
Funds Due from the Ministry of Education	(211)
	33,301

2020	Project No.	Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions	Closing Balances $
BLK 1-5 Roofing/Drainage	216751	14,749	-	(11,178)	-	3,571
Carpentry & Deck Repairs Blks 1-4	215454	10,240	(12,038)	(1,645)	-	(3,443)
Fencing and Court Repairs income	224473	-	45,000	(2,336)	-	42,664
Drainage & Stormwater	221082	-	-	(500)	-	(500)
Totals		24,989	32,962	(15,659)	-	42,292

16. 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.

BENNETT & ASSOCIATES AUDIT

17. Remuneration

Key management personnel compensation

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

	2021 Actual $	2020 Actual $
Board Members		
Remuneration	880	1,320
Leadership Team		
Remuneration	117,176	119,036
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	118,056	120,356

There are 6 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance (6 members) and Property (6 members) that met 10 and 10 times respectively. 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:

	2021 Actual $000	2020 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2021 FTE Number	2020 FTE Number
100 - 110	-	-
	0.00	0.00

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

18. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	-	-
Number of People	-	-

BENNETT & ASSOCIATES AUDIT

19. Contingencies

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

Holidays Act Compliance – schools payroll
The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

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

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

20. Commitments

(a) Capital Commitments

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

$50,000 contract for the Fencing and Court Repairs income as agent for the Ministry of Education. This project is fully funded by the Ministry and $45,000 has been received of which $45,211 has been spent on the project to balance date. This project has been approved by the Ministry; and

$30,000 contract for the Drainage & Stormwater as agent for the Ministry of Education. This project is fully funded by the Ministry and $42,447 has been received of which $23,821 has been spent on the project to balance date. This project has been approved by the Ministry; and

$83,614 contract for the LSC Block 4 as agent for the Ministry of Education. This project is fully funded by the Ministry and $74,250 has been received of which $63,327 has been spent on the project to balance date. This project has been approved by the Ministry; and

$45,307 contract for the Toilet Block & Ceiling Linings as agent for the Ministry of Education. This project is fully funded by the Ministry and $4,531 has been received of which $568 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

$95,000 contract for the BLK 1-5 Roofing/Drainage as agent for the Ministry of Education. This project is fully funded by the Ministry and $85,500 has been received of which $81,929 has been spent on the project to balance date. This project has been approved by the Ministry; and

$61,134 contract for the Carpentry & Deck Repairs Blks 1-4 as agent for the Ministry of Education. This project is fully funded by the Ministry and $59,963 has been received of which $63,406 has been spent on the project to balance date. This project has been approved by the Ministry; and

$50,000 contract for the Fencing and Court Repairs income as agent for the Ministry of Education. This project is fully funded by the Ministry and $45,000 has been received of which $2,336 has been spent on the project to balance date. This project has been approved by the Ministry; and

$30,000 contract for the Drainage & Stormwater as agent for the Ministry of Education. This project is fully funded by the Ministry and $0 has been received of which $500 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

BENNETT & ASSOCIATES AUDIT

21. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Cash and Cash Equivalents	140,357	96,861	182,142
Receivables	23,567	14,219	23,767
Investments - Term Deposits	106,509	70,761	65,755
Total Financial assets measured at amortised cost	270,433	181,841	271,664

Financial liabilities measured at amortised cost

	2021 Actual $	2021 Budget (Unaudited) $	2020 Actual $
Payables	26,648	47,008	28,361
Finance Leases	3,798	5,889	6,217
Total Financial Liabilities Measured at Amortised Cost	30,446	52,897	34,578

22. Events After Balance Date

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

23. Comparatives

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

24. COVID 19 Pandemic on going implications

Impact of Covid-19
During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

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

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

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

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

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

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

BENNETT & ASSOCIATES AUDIT

Education Services.
Dedicated to your school

Poroti School

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Kerry Lord	Presiding Member	Elected	Sep 2022
Pauline Johnson	Principal		
Thereza Clark	Parent Representative	Elected	Sep 2022
Moera O'Leary	Parent Representative	Elected	Sep 2022
Olivia Mitten	Parent Representative	Elected	Sep 2022
Janelle Imeson	Parent Representative	Elected	Sep 2022
Mandy Pye	Staff Representative	Elected	Sep 2022
Lorraine Norris	Other	Appointed	Sep 2022

Poroti School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of $449 (excluding GST). The funding was spent on sporting endeavours.

School Name:	POROTI SCHOOL ANALYSIS OF VARIANCE – 2021 POROTI SCHOOL Proud Open minded Respectful Outstanding Trustworthy Independent	School Num	1083

Strategic Aim:	Learning Success for all Poroti School has a genuine belief that all students can achieve at higher levels and we aim to put learning in place that ensures that students have the opportunity to improve.
Annual Aim:	**Learning**: To improve Writing, Reading and Mathematics Achievement in all students with particular attention to accelerating the learning of those students who are **Well Below** and **Below** their expected New Zealand Curriculum levels, and those who we believe are not reaching their potential at all levels **Teaching:** Staff to engage in professional learning development (PLD) opportunities that support our students to learn in a supportive environment, using authentic learning experiences.
Target:	Through PLD staff will develop and deliver quality teaching programmes that will strengthen teaching practices and lift student achievement.

Baseline Data:

Student achievement data in the core curriculum areas for 2020 - 2021

	Reading At & Above		Writing At & Above		Mathematics At & Above	
Year Students Maori	**2021** (38) (19)	**2020** (28) (13)	**2021** (38) (19)	**2020** (28) (13)	**2021** (38) (19)	**2020** (28) (13)
Total - All	54% (15)	58% (22)	45% (17)	61% (17)	61% (23)	61% (17)
Maori	**37%** (7)	**23%** (3)	**26%** (5)	**31%** (4)	**37%** (7)	**38%** (5)
Maori Boys	40% (4)	29% (2)	20% (2)	29% (2)	40% (4)	57% (4)
Maori Girls	33% (3)	17% (1)	33% (3)	33% (3)	33% (3)	17% (1)

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
Reading: Teacher (Years 0-4) undertook PLD in the Better Start Literacy (BSL) programme and worked with a mentor / facilitator throughout the programme. BSL was introduced into the Junior Class. On-line literacy programmes are integrated into classroom programmes (i.e. Lexia, A-Z Kids,) These were able to be accessed during Distance Learning (Covid) The school subscribed to Writer's Toolbox and all Year 4-8 have access to this on-line. We have changed our writing assessment to include the scorecard for a more consistent moderation of writing. On-line the students receive instantaneous feedback and recommendations. A focus on Basic Facts learning has been incorporated not only in class programmes, but is a part of Home learning done weekly. The school has a subscription for Maths Symphony which supports number strands. Students have access to this during Distance Learning.	Better Start Literacy Training was provided by Across School Teacher (AST) and the other teacher in the room was also included in the training. Writers Toolbox (formerly Write that Essay) is now online for our students. Time has been taken to ensure that students are able to transfer learning. Writers Toolbox modules have been used to supplement and consolidate work in other literacy areas e.g. grammar Writing results showed the same number of students but a decrease in % from 2020 to 2021. Reading results showed an increase in the number and % of Maori students At & Above from 2020 to 2021.	Of the 11 students at the Well Below / Below level 36% were receiving Teacher Aide funding support of their learning. All Maori Boys in the AT / ABOVE group were students from the previous year and had received quality reading programmes tailored to their needs. We are seeing improvement in the children's writing in this area of spelling and punctuation. The transition from pen/paper to online has taken some students time to adjust. The art of typing at speed compared to their writing has seen adjustment period. Engagement in writing and the ability to access instant feedback and feed forward for improvement is beginning to show success. Reading Challenges and the motivation of staff to expose students to and model quality reading books has seen an uptake of reading in a number of children. Finding books that interest them	A number of these students BELOW / WELL BELOW were in the Junior class which is why we have taken on the BSL programme. Attendance has been a big factor in the academic achievement of students in the senior class Y6 and Year 7 and these students will become part of a cohort to monitor in 2022. In 2022 our Learning Support Co-ordinator (LSC) will be utilised in working with individuals in this cohort to build relationships, whānau connections and ultimately academic achievement through increased regular attendance. Parents /whānau are to be kept informed of progress especially if learning support is required. LSC and RTLB are used to support student learning, and offer support and advice to Teachers and Teacher Aides. Teacher Aides to receive PLD as needed to support learners they

e-Tap: Staff received eTap training and have used eTap to enter data so that it can be used school-wide to see trends over time. Changes in assessment has meant that more comprehensive and collaborative data collection has been undertaken to ensure consistency across the school..		has been a focus for the Senior Class.	are working with. BSL is to be embedded into the Junior classroom, and resources sourced through COL will be accessed for Senior students who require reading support. Continued training in eTap as a Student Management System for staff.

Planning for next year:

- Better start Literacy will continue, in the Junior Room.
- Students with learning needs will be identified and programmes of work to be carried out in the classroom will be worked out.
- Two Teacher Aides tenures will continue (10 hours per week each) at the cost of the Board through School Operational Grant. This is to support those children identified in the cohorts.
- Applications for In Class Support will be put if for those children with highest priority of needs.
- The Learning Support Co-ordinator will take up the role of working with these individuals whose attendance has had an impact on their academic achievement, also involving families. Programme will be tailored to individual children.
- Classroom teaching programmes will plan for ongoing support, with particular focus on Year 6 cohort .
- Students identified by classroom teachers as Target students will receive regular monitoring of achievement.
- New students into the school will be assessed and monitored on a regular basis as they fit into the routines of Poroti School. Concerns around new students in the 'older' age groups entering our school requiring extensive literacy learning support.

S.K. Bennett, C.A.
Director

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INDEPENDENT AUDITOR'S REPORT TO THE READERS OF POROTI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Poroti School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 19, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2021; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 16 May 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Analysis of Variance, the Kiwisport Statement, the List of Trustees and Statement of Responsibility 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.

Steve Bennett
BENNETT & ASSOCIATES
On behalf of the Auditor-General
Whangarei, New Zealand