

Pokeno School

Annual Report for the year ended 31 December 2021

Ministry Number:	1442
Principal:	Blair Johnston
School Address:	54 Pokeno Road, Pokeno
School Postal Address:	Pokeno Road RD 2, Pokeno, 2472
School Phone:	09-2336108
School Email:	principal@pokeno.school.nz
Service Provider:	Edtech Financial Services Ltd

Pokeno School

Members of the Board

For the year ended 31 December 2021

Name	Position	How position on Board gained	Term expired/expires
Bevan Houghton	Presiding Member	Elected	Sept-22
Blair Johnston	Principal	Appointed	
Dean Shaw	Parents Representative	Elected	Sept-22
Shane Harrod	Parents Representative	Elected	Sept-22
PJ Jacobs	Parents Representative	Elected	Sept-22
Karen Houghton	Staff Representative	Elected	Sept-22
Akerei Maresala-Thomson	Parents Representative	Elected	Oct-21
Bronwyn Willmot	Parents Representative	Co-opted	Sept-22

Pokeno School

Annual Report

For the year ended 31 December 2021

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 17	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Pokeno School
Statement of Responsibility
For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Devin Houghton
Full Name of Presiding Member

[Signature]
Signature of Presiding Member

3/6/2022
Date:

Blair Johnston
Full Name of Principal

[Signature]
Signature of Principal

2/6/2022
Date:

Pokeno 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	3,240,944	2,063,504	2,781,167
Locally Raised Funds	3	37,588	40,600	49,183
Interest Income		3,318	2,000	3,759
		<hr/>	<hr/>	<hr/>
		3,281,850	2,106,104	2,834,109
Expenses				
Locally Raised Funds	3	20,007	14,600	40,500
Learning Resources	4	2,196,626	1,239,748	1,959,186
Administration	5	195,116	200,500	133,221
Finance		5,523	2,000	5,486
Property	6	559,862	567,700	561,244
Depreciation	11	97,736	80,000	81,227
Loss on Disposal of Property, Plant and Equipment		-	-	1,236
		<hr/>	<hr/>	<hr/>
		3,074,870	2,104,548	2,782,100
Net Surplus / (Deficit) for the year		206,980	1,556	52,009
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		206,980	1,556	52,009

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



Pokeno School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Balance at 1 January		708,112	708,112	626,853
Total comprehensive revenue and expense for the year		206,980	1,556	52,009
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		176,758	-	29,250
Equity at 31 December		1,091,850	709,668	708,112
Retained Earnings		1,091,850	709,668	708,112
Reserves		-	-	-
Equity at 31 December		1,091,850	709,668	708,112

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.

Pokeno School
Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	277,499	300,867	141,354
Accounts Receivable	8	186,614	120,500	140,095
GST Receivable		2,510	3,000	10,983
Prepayments		14,788	17,000	16,093
Inventories	9	2,506	3,500	3,472
Investments	10	372,386	-	202,056
		<u>856,303</u>	<u>444,867</u>	<u>514,053</u>
Current Liabilities				
Accounts Payable	12	178,565	134,500	211,927
Revenue Received in Advance	13	13,340	-	-
Painting Contract Liability	15	-	-	8,166
Finance Lease Liability	16	20,763	20,000	17,321
		<u>212,668</u>	<u>154,500</u>	<u>237,414</u>
Working Capital Surplus/(Deficit)		643,635	290,367	276,639
Non-current Assets				
Property, Plant and Equipment	11	526,575	519,301	519,301
		<u>526,575</u>	<u>519,301</u>	<u>519,301</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	56,352	70,000	53,669
Finance Lease Liability	16	22,008	30,000	34,159
		<u>78,360</u>	<u>100,000</u>	<u>87,828</u>
Net Assets		<u>1,091,850</u>	<u>709,668</u>	<u>708,112</u>
Equity		<u>1,091,850</u>	<u>709,668</u>	<u>708,112</u>

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



Pokeno School
Statement of Cash Flows

For the year ended 31 December 2021

	2021	2021 Budget	2020
Note	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	943,653	698,504	735,033
Locally Raised Funds	37,754	65,204	20,579
Goods and Services Tax (net)	3,089	7,983	(7,974)
Payments to Employees	(359,872)	(352,972)	(326,727)
Payments to Suppliers	(370,428)	(371,628)	(241,940)
Cyclical Maintenance Payments in the year	-		(7,080)
Interest Paid	(5,523)	(2,000)	(5,486)
Interest Received	2,929	2,012	3,247
Net cash from/(to) Operating Activities	251,602	47,103	169,652
Cash flows from Investing Activities			
Proceeds from Sale of Property Plant & Equipment	-	-	17
Purchase of Property Plant & Equipment	(105,010)	(160,346)	(81,115)
Purchase of Investments	(170,330)	202,056	(202,056)
Net cash from/(to) Investing Activities	(275,340)	41,710	(283,154)
Cash flows from Financing Activities			
Furniture and Equipment Grant	176,758	-	29,250
Finance Lease Payments	(8,709)	78,866	(15,759)
Painting Contract Payments	(8,166)	(8,166)	(7,041)
Net cash from/(to) Financing Activities	159,883	70,700	6,450
Net increase/(decrease) in cash and cash equivalents	136,145	159,513	(107,052)
Cash and cash equivalents at the beginning of the year	7 141,354	141,354	248,406
Cash and cash equivalents at the end of the year	7 277,499	300,867	141,354

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.



Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

Reporting Entity

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

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 of 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 14.

Useful lives of property, plant and equipment

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

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.

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.

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

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.

Inventories

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

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.

Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Board owned buildings	20 years
Furniture and equipment	5-10 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	Term of lease
Library resources	12.5% Diminishing value



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

Impairment of property, plant, and equipment

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

Non cash generating assets

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

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

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

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

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.

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 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.

Revenue Received in Advance

Revenue received in advance relates to MOE grants where there are unfulfilled obligations for the School to provide services in the future. The funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

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.

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, 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.

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.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

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

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

2 Government Grants

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operational Grants	765,852	634,504	627,804
Teachers' Salaries Grants	1,888,495	950,000	1,601,252
Use of Land and Buildings Grants	408,796	415,000	444,881
Other MoE Grants	146,808	64,000	86,951
Other Government Grants	30,993	-	20,279
	<u>3,240,944</u>	<u>2,063,504</u>	<u>2,781,167</u>

The School has opted in to the donations scheme for this year. Total amount received was \$59,850. (2020 : \$44,850 was received)

Other MOE Grants total includes additional COVID-19 funding totalling \$4,131 for the year ended 31 December 2021.

3 Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Revenue			
Donations & Bequests	10,574	7,000	4,527
Fees for Extra Curricular Activities	6,427	10,100	16,645
Trading	1,713	5,000	1,816
Fundraising & Community Grants	9,578	5,500	12,971
Other Revenue	9,296	13,000	13,224
	<u>37,588</u>	<u>40,600</u>	<u>49,183</u>
Expenses			
Extra Curricular Activities Costs	6,468	6,100	33,564
Trading	2,230	5,000	5,974
Fundraising and Community Grant Costs	11,309	3,500	962
	<u>20,007</u>	<u>14,600</u>	<u>40,500</u>
	<u>17,581</u>	<u>26,000</u>	<u>8,683</u>

Surplus/ (Deficit) for the year Locally Raised Funds

Pokeno School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

4 Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	66,806	70,598	59,046
Equipment Repairs	-	500	597
Information and Communication Technology	13,521	10,000	10,678
Extra-Curricular Activities	365	2,000	371
Library Resources	1,336	150	-
Employee Benefits - Salaries	2,111,028	1,146,500	1,878,504
Staff Development	3,570	10,000	9,990
	<u>2,196,626</u>	<u>1,239,748</u>	<u>1,959,186</u>

5 Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	6,985	7,000	7,160
Board Fees	4,025	4,000	1,905
Board Expenses	3,291	3,500	13,276
Communication	3,339	10,000	3,718
Consumables	29,244	25,000	25,427
Operating Lease	-	4,000	1,914
Other	43,135	34,400	30,938
Employee Benefits - Salaries	94,783	101,100	38,333
Insurance	3,864	4,500	3,758
Service Providers, Contractors and Consultancy	6,450	7,000	6,792
	<u>195,116</u>	<u>200,500</u>	<u>133,221</u>

6 Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	12,052	13,700	14,654
Consultancy and Contract Services	36,614	32,500	32,326
Cyclical Maintenance Expense	6,671	20,000	17,814
Grounds	3,856	8,500	8,087
Heat, Light and Water	32,924	17,000	17,966
Repairs and Maintenance	15,694	6,000	13,882
Use of Land and Buildings	408,796	415,000	444,881
Employee Benefits - Salaries	43,255	55,000	11,634
	<u>559,862</u>	<u>567,700</u>	<u>561,244</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

7 Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	277,499	300,867	141,354
Cash and cash equivalents for Statement of Cash Flows	<u>277,499</u>	<u>300,867</u>	<u>141,354</u>

8 Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	-	5,000	29,604
Receivables from the Ministry of Education	11,068	-	-
Interest Receivable	901	500	512
Bank Staffing Underuse	27,850	-	-
Teacher Salaries Grant Receivable	146,795	115,000	109,979
	<u>186,614</u>	<u>120,500</u>	<u>140,095</u>
Receivables from Exchange Transactions	901	5,500	30,116
Receivables from Non-Exchange Transactions	185,713	115,000	109,979
	<u>186,614</u>	<u>120,500</u>	<u>140,095</u>

9 Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	2,506	3,500	3,472
	<u>2,506</u>	<u>3,500</u>	<u>3,472</u>

10 Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	372,386	-	202,056
Total Investments	<u>372,386</u>	<u>-</u>	<u>202,056</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

11 Property, Plant and Equipment

2021	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	(NBV)					
	\$	\$	\$	\$	\$	\$
Buildings	295,851	-	-	-	(27,512)	268,339
Furniture and Equipment	114,396	46,008	-	-	(19,140)	141,264
Information and Communication Technology	48,246	45,065	-	-	(24,935)	68,376
Leased Assets	46,348	11,862	-	-	(24,388)	33,822
Library Resources	14,460	2,075	-	-	(1,761)	14,774
Balance at 31 December 2021	519,301	105,010	-	-	(97,736)	526,575

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	555,838	(287,499)	268,339	555,838	(259,987)	295,851
Furniture and Equipment	316,908	(176,946)	139,962	270,899	(156,503)	114,396
Information and Communication Technology	210,641	(132,897)	77,744	165,576	(117,330)	48,246
Leased Assets	84,687	(56,481)	28,206	80,346	(33,998)	46,348
Library Resources	30,051	(17,727)	12,324	27,976	(13,516)	14,460
Balance at 31 December	1,198,125	(671,550)	526,575	1,100,635	(581,334)	519,301

The net carrying value of equipment held under a finance lease is \$28,206 (2020: \$46,348).

12 Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	14,052	10,000	92,576
Accruals	14,646	7,500	7,000
Banking Staffing Overuse	-	115,000	-
Employee Entitlements - Salaries	148,046	2,000	110,866
Employee Entitlements - Leave Accrual	1,821	-	1,485
	178,565	134,500	211,927
Payables for Exchange Transactions	178,565	134,500	211,927

The carrying value of payables approximates their fair value.

13 Revenue Received in Advance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	13,340	-	-
	13,340	-	-

14 Provision for Cyclical Maintenance

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	53,669	53,669	42,935
Increase/(decrease) to the Provision During the Year	6,671	20,000	17,814
Use of the Provision During the Year	(3,988)	(3,669)	(7,080)
Provision at the End of the Year	56,352	70,000	53,669
Cyclical Maintenance - Current	56,352	70,000	53,669
Cyclical Maintenance - Term	56,352	70,000	53,669



Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

15 Painting Contract Liability

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Due within one year	-	-	8,166
Due after one year	-	-	-
	-	-	8,166

In 2007 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an fourteen year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2008, with regular maintenance in subsequent years. The agreement has been completed in 2021. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

16 Finance Lease Liability

The school has entered into a number of finance lease agreements for xxxxxxxx.
Minimum lease payments payable (includes interest portion):

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	24,649	20,000	21,444
Later than One Year and no Later than Five Years	25,539	30,000	38,140
Future Finance Charges	(7,416)	-	(8,105)
	42,771	50,000	51,480
Represented by			
Finance lease liability - Current	20,764	20,000	17,321
Finance lease liability - Term	22,008	30,000	34,159
	42,772	50,000	51,480

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

18 Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	4,025	1,905
<i>Leadership Team</i> Remuneration Full-time equivalent members	651,845 6.00	356,960 3.00
Total key management personnel remuneration	655,870	358,865

There are 7 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	140-150
Benefits and Other Emoluments	-	0-5
Termination Benefits	-	-

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
110-120	1	-
100-110	1	2
	2	2

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

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:

	2021 Actual	2020 Actual \$10,000
Total Number of People	-	1

There were no compensation or other benefits paid or payable to persons upon leaving.

20 Contingencies

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2021

21 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into new contracts.

22 Financial Instruments

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Financial assets measured at amortised cost			
Cash and Cash Equivalents	277,499	300,867	141,354
Receivables	186,614	120,500	140,095
Investments - Term Deposits	372,386	-	202,056
Total Financial assets measured at amortised cost	836,499	421,367	483,505
Financial liabilities measured at amortised cost			
Payables	178,565	134,500	211,927
Finance Leases	42,771	50,000	51,480
Painting Contract Liability	-	-	8,166
Total Financial Liabilities Measured at Amortised Cost	221,336	184,500	271,573

23 Events After Balance Date

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

24 Comparatives

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

25 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 then 2. Towards the end of August 2021, the entire country moved to alert level 4. Auckland then remained in alert level 3 for a prolonged period of time.

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. The ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which have negatively affected the operations and services of the school.

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.



Pokeno School Analysis of Variance 2021

Ma Te huruhuru, Ka rere te manu - Adorn the bird with feathers so it can fly

2021 Student Achievement Target for Reading

2021 School Wide Aim: To have 80% of all students 'at' or 'above' curriculum expectations.

Baseline Data:

2020 End of Year data shows that we have:

- 75% of the school 'At or Above' their expected levels for Reading compared with 78% at the end of 2019;
- 80% of our girls were 'At or Above' their expected levels for Reading;
- 72% of our boys were 'At or Above' their expected levels for Reading;
- 62% of Ruru Whanau (Years 1-2) were 'At or Above' their expected levels for Reading;
- 70% of Tui Whanau (Years 3-4) were 'At or Above' their expected levels for Reading;
- 89% of Kea Whanau (Years 5-8) were 'At or Above' their expected levels for Reading.

There are lower achievement rates of students for learners in Year 1 and Year 3. It should be noted that there are no significant disparities in either gender or ethnicity for either of these year levels.

2020 EOY data shows that 66% of our Maori learners were reading at expectation. It should be noted that there was a drop in achievement rates for ALL ethnic groups with the exception of NZ European/Pakeha. This is inline with the findings and concerns of ERO in their report on the effects of COVID-19 on learning in 2020.

2021 Target:

To accelerate the progress of the 87 students who are currently 'below' their expected NZC level to be 'at' their expected NZC level by the end of 2021.

- *There will be a specific focus on the Year 1 and Year 3 cohorts;*
- *Reduce gender disparity to 6%;*
- *Accelerate the Reading progress of Maori learners with learning opportunities and teaching pedagogy that reflect and value identity, language and culture;*
- *Implement interventions to target the reading needs of our Year 1 & 2 learners.*

Key Strategies to Achieve Targets:

- Teachers, with the support of their whanau leader, will develop Teaching as Inquiry plans to accelerate learning for the above Tier 2 learners.
- Teachers, with the support of the SENCo, will work together to develop interventions to best support learning needs and access to other resources including RTLBs for Tier 3 learners.
- Teachers to support priority learners through target groups and the development of Teaching As Inquiry
- Teachers engage in regular alignment discussions with school leaders.
- Teacher aide support to support the classroom teacher for the implementation of Target Learner intervention
- Reading Eggs to be available to all students/families
- Monitoring of attendance for priority learners
- Review and strengthen culturally responsive practices
- Increased opportunities for home-school partnerships
- Reading Together programme, focussing on families of target learners including year 1 - 3 boys and Māori students
- Provide PLD opportunities through Vision PLD & Staff Meetings

- Rainbow Reading with TA support for Target Learners
- Alpha to Omega to be used with 4D learners
- 'Big Brother' buddy reading programme
- Sustained Silent Reading to be deliberately programmed

Actual Outcomes:

Midyear Data

Midpoint data for Reading indicates that we have:

- 77% of our current students are 'at' or 'above' their expected level for Reading;
- 73% of our boys at expectation for Reading and 82% of our girls. This is a gender disparity of 9%;
- 71% of all Maori learners are 'at' or 'above' their expected level for Reading;

With the support of the SENCo, initiatives to support accelerated progress in Reading for our Year 1's and 2's were put in place. Further interventions were also initiated to support our senior readers.



Variance:

We were once again plagued by the impact of COVID-19 with learners absent for seven weeks of Term Three due to lockdown, and then a further two weeks of school holidays.

The Senior Leadership Team made the very deliberate decision to use Term Four to focus on the return to school, wellbeing, routines for our learners and general hauora rather than on formal assessments and the usual end of year reporting processes.

We did not ask our teachers to make OTJ's as without the appropriate evidence these would not have been valid and therefore would have been a 'best guess'. We did not feel that this would have been professional or fair on our learners or teachers.

Targets for 2022 will be based on our 2021 midpoint data.

Pokeno School Analysis of Variance 2021

Ma Te huruhuru, Ka rere te manu - Adorn the bird with feathers so it can fly

2021 Student Achievement Target for Writing

- **2021 Aim:** To have 75% of all students 'at' or 'above' curriculum expectations.

Baseline Data:

2019 baseline data showed that 67% of all students met Writing expectations. In 2020 we had 65.6% of all students 'At' or 'Above' expectation for Writing.

- 75% of our girls were 'At or Above' their expected levels for Writing;
- 58% of our boys were 'At or Above' their expected levels for Writing;
- 68% of Ruru Whanau (Years 1-2) were 'At or Above' their expected levels for Writing;
- 67% of Tui Whanau (Years 3-4) were 'At or Above' their expected levels for Writing;
- 89% of Kea Whanau (Years 5-8) were 'At or Above' their expected levels for Writing.

2019 End of Year data showed a 15% disparity in the Writing achievement of boys and girls compared with 14% at the end of 2018. 2020 End of Year data showed a 17% disparity.

Data indicates a 10% drop in achievement for our Maori learners to 54% 'At' or 'Above' their expected curriculum level while our data for our Pasifika learners has remained constant at 57%.

2021 Target:

To accelerate the progress of the 116 students who are currently 'below' their expected NZC level to be 'at' their expected NZC level by the end of 2021.

- Accelerate the Writing progress of Maori learners with learning opportunities and teaching pedagogy that reflect and value identity, language and culture to ensure improvement of current trajectory to be 'at' or 'above' their expected NZC level at the end of 2021;
- Monitor closely 2020's Year 3's, Year 6's and Year 7's to ensure that these cohorts are provided with robust learning programmes designed to engage boys, targeted interventions and greater home-school partnership opportunities.
- Reduce gender disparity to 10%.
- Reduce the disparity in Writing achievement for Priority Learners and NZ European/Pakeha to 8%.

Key Strategies to Achieve Targets:

- Teachers, with the support of their whanau leader, will develop Teaching as Inquiry plans to accelerate learning for the above Tier 2 learners.
- Teachers, with the support of the SENCo, will work together to develop interventions to best support learning needs and access to other resources including RTLBs for Tier 3 learners.
- Teachers to support priority learners through target groups and the development of Teaching As Inquiry.
- Board funded PLD with Vision Education
- Provide PLD opportunities in 'Curriculum & Assessment' meetings.
- Teachers engage in regular alignment discussions with school leaders.
- Monitoring of attendance for priority learners.
- Explore increased opportunities for students to engage in purposeful writing, with a specific focus on boys.
- Review and strengthen culturally responsive practices
- Collect student voice, with a focus on boys, to ascertain areas of need to increase engagement and enjoyment of writing
- Teacher aide support – in class / priority learners
- Increased opportunities for home-school partnerships.

- Schedule opportunities to write everyday
- Alpha to Omega
- Writing buddies or Grandmas
- Review Spelling and Handwriting programmes.
- WordQ and Software packages to support writing

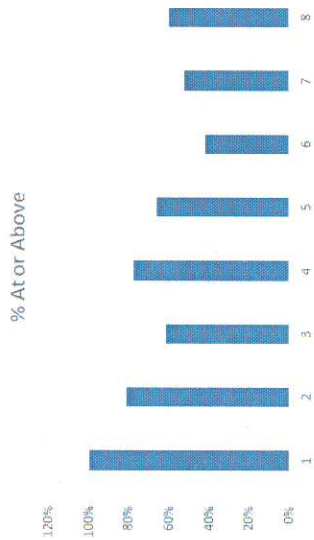
Actual Outcomes:

Midyear Data

Midpoint data indicates that:

- 70% of our current students are 'at' or 'above' their expected level for Writing!
- 70% of all Maori students are 'at' or 'above' their expected level for Writing;
- 60% of our boys are 'at' or 'above' their expected level for Writing.

Moving forward we will need to continue to monitor the progress of the 2020 Year 3, 6 and 7 year groups. Data is showing that we have 78% of our Year 4's 'at' or 'above' their expected level but 42% and 53% respectively for our current Year 5's and 6's.



Variance:

We were once again plagued by the impact of COVID-19 with learners absent for seven weeks of Term Three due to lockdown, and then a further two weeks of school holidays.

The Senior Leadership Team made the very deliberate decision to use Term Four to focus on the return to school, wellbeing, routines for our learners and general hauora rather than on formal assessments and the usual end of year reporting processes.

We did not ask our teachers to make OTJ's as without the appropriate evidence these would not have been valid and therefore would have been a 'best guess'. We did not feel that this would have been professional or fair on our learners or teachers.

Targets for 2022 will be based on our 2021 midpoint data.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF POKENO SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Pokeno School (the School). The Auditor-General has appointed me, Bernard Lamusse, using the staff and resources of PKF Hamilton Audit Ltd, 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 17, 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 Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 3 June 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 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 information included on pages 18 to 21, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Bernard Lamusse
Director
PKF Hamilton Audit Ltd
On behalf of the Auditor-General
Hamilton, New Zealand