

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Cornerstone Christian School (the School). The Auditor-General has appointed me, Vivien Cotton, using the staff and resources of Cotton Kelly Smit Limited (CKS Audit), to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 18, that comprise the statement of financial position as at 31 December 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 the Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 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 is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance, the Kiwisport Statement, the list of Trustees and the 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.

In addition to the audit, we are responsible for the audit of the Proprietor, the Cornerstone Christian Education Trust. This audit is compatible with independence requirements. Other than this audit and the audit of the Proprietor, we have no relationship with, or interests in the School.



Vivien Cotton
CKS Audit
On behalf of the Auditor-General
Palmerston North, New Zealand

CORNERSTONE CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	1172
Principal:	Chris Mitchell
School Address:	119 Mihaere Drive, Palmerston North
School Phone:	06 356 7326
School Email:	office@cornerstone.ac.nz

CORNERSTONE CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2021

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Independent Auditor's Report

Cornerstone Christian 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.

Joanne Auer

Full Name of Presiding Member



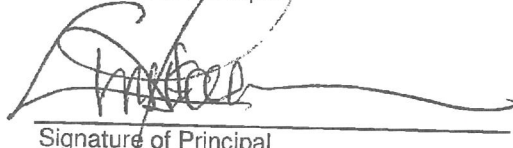
Signature of Presiding Member

30/5/22

Date:

Christopher David Mitchell

Full Name of Principal



Signature of Principal

27/5/22

Date:

Cornerstone Christian School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Jo Auer	Presiding Member	Elected	Sep 2022
Chris Mitchell	Principal	ex Officio	
Braden Simpson	Parent Representative	Elected	Sep 2022
Laura Siegel	Parent Representative	Elected	Jan 2021
Shannon King	Parent Representative	Elected	Sep 2022
Anthony Budd	Parent Representative	Elected	Nov 2021
Gina Toa	Parent Representative	Elected	Sep 2022
Richard Tankersley	Proprietors Representative	Appointed	Sep 2022
Simon McCracken	Proprietors Representative	Appointed	Sep 2022
Glenn de Groot	Proprietors Representative	Appointed	Sep 2022
Rachel Burn	Proprietors Representative	Appointed	Sep 2022
Heslia Swanepoel	Staff Representative	Elected	Sep 2022
Conrad de Groot	Student Representative	Elected	Oct 2021
Irin Lipson	Student Representative	Elected	Sep 2022

Cornerstone Christian School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	5,579,426	4,879,656	5,160,756
Locally Raised Funds	3	166,281	15,900	195,267
Use of Proprietor's Land and Buildings		937,885	870,000	1,323,675
Interest Income		873	3,430	3,980
Gain on Sale of Property, Plant and Equipment		-	-	3,002
		6,684,465	5,768,986	6,686,680
Expenses				
Locally Raised Funds	3	104,258	-	114,264
Learning Resources	4	4,958,098	4,430,720	4,611,198
Administration	5	312,124	252,810	248,220
Finance		4,271	-	5,348
Property	6	1,245,661	1,155,770	1,634,348
Depreciation	10	183,315	186,960	189,385
Loss on Disposal of Property, Plant and Equipment		1,548	-	863
Amortisation of Equitabe Lease	11	1,618	1,618	1,618
		6,810,893	6,027,878	6,805,244
Net (Deficit) for the year		(126,428)	(258,892)	(118,564)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(126,428)	(258,892)	(118,564)

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



Cornerstone Christian 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		759,341	759,341	859,739
Total comprehensive revenue and expense for the year		(126,428)	(258,892)	(118,564)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		20,319	-	18,166
Equity at 31 December		653,232	500,449	759,341
Retained Earnings		590,892	438,109	697,001
Reserves	17	62,340	62,340	62,340
Equity at 31 December		653,232	500,449	759,341

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.



Cornerstone Christian 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	399,699	270,361	389,581
Accounts Receivable	8	362,828	315,307	315,307
GST Receivable		5,877	12,554	12,554
Prepayments		4,188	3,832	3,832
Inventories	9	47,596	51,285	51,285
		820,188	653,339	772,559
Current Liabilities				
Accounts Payable	12	411,883	355,441	355,441
Borrowings	13	667	-	-
Revenue Received in Advance	14	2,000	13,623	13,623
Provision for Cyclical Maintenance	15	17,389	18,100	-
Finance Lease Liability	16	25,383	27,214	27,214
		457,322	414,378	396,278
Working Capital Surplus/(Deficit)		362,866	238,961	376,281
Non-current Assets				
Property, Plant and Equipment	10	444,786	404,040	543,712
Equitable Leasehold Interest	11	33,984	35,602	35,602
		478,770	439,642	579,314
Non-current Liabilities				
Borrowings	13	1,056	-	-
Provision for Cyclical Maintenance	15	178,360	154,307	172,407
Finance Lease Liability	16	8,988	23,847	23,847
		188,404	178,154	196,254
Net Assets		653,232	500,449	759,341
Equity		653,232	500,449	759,341

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



Cornerstone Christian School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,574,794	1,417,531	1,470,892
Locally Raised Funds		175,814	15,900	159,015
Goods and Services Tax (net)		6,677	-	(345)
Payments to Employees		(955,698)	(643,696)	(840,344)
Payments to Suppliers		(719,364)	(863,479)	(770,197)
Interest Paid		(4,271)	-	(5,348)
Interest Received		849	3,430	3,980
Net cash from/(to) Operating Activities		78,801	(70,314)	17,653
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	5,189
Purchase of Property Plant & Equipment (and Intangibles)		(73,065)	(48,906)	(151,924)
Net cash from/(to) Investing Activities		(73,065)	(48,906)	(146,735)
Cash flows from Financing Activities				
Furniture and Equipment Grant		20,319	-	18,166
Finance Lease Payments		(17,660)	-	(16,425)
Loans Received/ Repayment of Loans		1,723	-	-
Net cash from/(to) Financing Activities		4,382	-	1,741
Net increase/(decrease) in cash and cash equivalents		10,118	(119,220)	(127,341)
Cash and cash equivalents at the beginning of the year	7	389,581	389,581	516,922
Cash and cash equivalents at the end of the year	7	399,699	270,361	389,581

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

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



Cornerstone Christian School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

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

1.2. Basis of Preparation

Reporting Period

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



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.

1.3. Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the 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.

1.4. Operating Lease Payments

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



1.5. Finance Lease Payments

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

1.6. Cash and Cash Equivalents

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

1.7. Accounts Receivable

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

1.8. Inventories

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

1.9. Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor 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:

Building improvements	20 years
Furniture and equipment	2-13 years
Information and communication technology	1-4 years
Leased assets held under a Finance Lease	Term of Lease
Motor vehicles	4-8 years
Textbooks	5 years
Library resources	8 years



1.10. 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.

1.11. Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

1.12. 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

1.13. Revenue Received in Advance

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

1.14. Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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.



1.15. 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

1.16. 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.

1.17. Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

1.18. Budget Figures

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

1.19. Services received in-kind

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



2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,292,442	1,184,046	1,222,809
Teachers' Salaries Grants	3,959,048	3,462,125	3,664,469
Other MoE Grants	246,694	177,334	204,317
Other government grants	81,242	56,151	69,161
	<u>5,579,426</u>	<u>4,879,656</u>	<u>5,160,756</u>

The School has opted in to the donations scheme for this year. Total amount received was \$85,800 (2020:\$80,700).

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	10,616	500	35,406
Fees for Extra Curricular Activities	41,492	1,000	34,475
Trading	75,134	12,000	102,963
Fundraising & Community Grants	4,303	-	-
Other Revenue	34,736	2,400	22,423
	<u>166,281</u>	<u>15,900</u>	<u>195,267</u>
Expenses			
Extra Curricular Activities Costs	34,152	-	39,087
Trading	70,106	-	75,177
	<u>104,258</u>	<u>-</u>	<u>114,264</u>
	<u>62,023</u>	<u>15,900</u>	<u>81,003</u>

Surplus / (Deficit) for the year Locally raised funds

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	256,702	305,292	266,191
Information and Communication Technology	33,169	56,677	67,583
Library Resources	702	500	943
Employee Benefits - Salaries	4,644,021	4,031,371	4,264,845
Staff Development	23,504	36,880	11,636
	<u>4,958,098</u>	<u>4,430,720</u>	<u>4,611,198</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	6,554	5,917	5,917
Board Fees	6,270	7,425	6,145
Board Expenses	6,070	14,955	13,297
Communication	4,202	-	3,519
Consumables	18,522	18,000	4,928
Legal Fees	15,650	-	-
Other	31,418	29,505	31,923
Employee Benefits - Salaries	219,199	170,688	174,925
Insurance	2,639	6,320	5,300
Service Providers, Contractors and Consultancy	1,600	-	2,266
	<u>312,124</u>	<u>252,810</u>	<u>248,220</u>



6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	18,136	6,800	9,513
Consultancy and Contract Services	86,769	96,800	106,707
Cyclical Maintenance Provision	23,342	-	20,138
Grounds	24,341	23,000	22,766
Heat, Light and Water	41,713	43,620	35,945
Rates	4,173	7,800	7,048
Repairs and Maintenance	42,426	52,500	55,578
Use of Land and Buildings	937,885	870,000	1,323,675
Security	4,035	3,500	3,303
Employee Benefits - Salaries	62,841	51,750	49,675
	<u>1,245,661</u>	<u>1,155,770</u>	<u>1,634,348</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. 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	399,699	270,361	389,581
Cash and cash equivalents for Statement of Cash Flows	<u>399,699</u>	<u>270,361</u>	<u>389,581</u>

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

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	12,758	23,164	23,164
Receivables from the Ministry of Education	29,774	8,151	8,151
Interest Receivable	24	-	-
Teacher Salaries Grant Receivable	320,272	283,992	283,992
	<u>362,828</u>	<u>315,307</u>	<u>315,307</u>
Receivables from Exchange Transactions	12,782	23,164	23,164
Receivables from Non-Exchange Transactions	350,046	292,143	292,143
	<u>362,828</u>	<u>315,307</u>	<u>315,307</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	47,596	51,285	51,285
	<u>47,596</u>	<u>51,285</u>	<u>51,285</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Furniture and Equipment	412,596	45,190	-	-	(100,049)	357,737
Information and Communication Technology	37,833	26,209	-	-	(26,583)	37,459
Motor Vehicles	13,431	-	-	-	(7,412)	6,019
Textbooks	10,954	-	-	-	(6,577)	4,377
Leased Assets	55,923	12,872	-	-	(35,504)	33,291
Library Resources	12,975	1,666	(1,548)	-	(7,190)	5,903
Balance at 31 December 2021	<u>543,712</u>	<u>85,937</u>	<u>(1,548)</u>	<u>-</u>	<u>(183,315)</u>	<u>444,786</u>

The net carrying value of equipment held under a finance lease is \$33,291 (2020: \$55,923)



	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	1,045,762	(688,025)	357,737	1,000,488	(587,892)	412,596
Information and Communication Technology	430,184	(392,725)	37,459	399,419	(361,586)	37,833
Motor Vehicles	61,166	(55,147)	6,019	61,166	(47,735)	13,431
Textbooks	99,932	(95,555)	4,377	99,932	(88,978)	10,954
Leased Assets	86,659	(53,368)	33,291	95,220	(39,297)	55,923
Library Resources	57,523	(51,620)	5,903	63,810	(50,835)	12,975
Balance at 31 December	1,781,226	(1,336,440)	444,786	1,720,035	(1,176,323)	543,712

11. Equitable Leasehold Interest

An equitable leasehold interest recognises an interest in an asset without transferring ownership or creating a charge over the asset. This equitable leasehold interest represents the board's interest in capital works assets owned by the proprietor but paid for in whole or in part by the Board of Trustees, either from Government funding or from community raised funds.

A lease between the board and the proprietor records the terms of the equitable leasehold interest and includes a detailed schedule of capital works assets. The equitable leasehold interest is amortised over 25 years based on the economic life of the capital works asset(s) involved. The interest may be realised on the sale of the capital works by the proprietor of the closure of the school.

The major capital works assets included in the equitable leasehold interest are:

Senior Playground

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cost	56,618	56,618	56,618
Balance at 31 December 2021	56,618	56,618	56,618
Less			
Amortisation expense	22,634	21,016	21,016
Balance at 31 December 2021	22,634	21,016	21,016
Balance at 31 December 2021	33,984	35,602	35,602
Annual Amortisation	1,618	1,618	1,618

12. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	50,637	39,770	38,088
Accruals	6,094	-	8,487
Employee Entitlements - Salaries	349,687	315,671	303,361
Employee Entitlements - Leave Accrual	5,465	-	5,505
	411,883	355,441	355,441
Payables for Exchange Transactions	411,883	355,441	355,441
	411,883	355,441	355,441

The carrying value of payables approximates their fair value.

13. Borrowings

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Loans due in one year	667	-	-
Loans due after one year	1,056	-	-
	1,723	-	-

The School has borrowings at 31 December 2021 of \$1,723 (31 December 2020 \$nil). This loan is for a iphone and is interest free.



14. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Grants in Advance - Ministry of Education	-	10,750	10,750
Other revenue in Advance	2,000	2,873	2,873
	<u>2,000</u>	<u>13,623</u>	<u>13,623</u>

15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	172,407	172,407	163,094
Increase to the Provision During the Year	33,471	-	15,133
Adjustment to the Provision	(10,129)	-	-
Use of the Provision During the Year	-	-	(5,820)
Provision at the End of the Year	<u>195,749</u>	<u>172,407</u>	<u>172,407</u>
Cyclical Maintenance - Current	17,389	18,100	-
Cyclical Maintenance - Term	<u>178,360</u>	<u>154,307</u>	<u>172,407</u>
	<u>195,749</u>	<u>172,407</u>	<u>172,407</u>

16. 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	26,011	30,875	30,875
Later than One Year and no Later than Five Years	10,988	25,227	25,227
Future Finance Charges	(2,628)	(5,041)	(5,041)
	<u>34,371</u>	<u>51,061</u>	<u>51,061</u>
Represented by			
Finance lease liability - Current	25,383	27,214	27,214
Finance lease liability - Term	<u>8,988</u>	<u>23,847</u>	<u>23,847</u>
	<u>34,371</u>	<u>51,061</u>	<u>51,061</u>

17. Reserves

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Iplex (Library Grant)	-	700	700
T McCarthy Trust Reserve (Library Grant)	2,000	4,131	4,131
MOE - furniture & Equipment Grant - L Block	<u>57,509</u>	<u>57,509</u>	<u>57,509</u>
	<u>59,509</u>	<u>62,340</u>	<u>62,340</u>



18. 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.

The Proprietor of the School (Cornerstone Christian Education Trust) is a related party of the Board because the Proprietor appoints representatives to the Board, giving the Proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the Proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1.3. The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	6,270	6,145
<i>Leadership Team</i>		
Remuneration	828,364	926,513
Full-time equivalent members	7.00	7.60
Total key management personnel remuneration	834,634	932,658

There are 9 members of the Board excluding the Principal. The Board had held eleven full meeting of the Board in the year. As well as these regular meeting, 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 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	150 - 160	20 - 30
Benefits and Other Emoluments	4 - 5	0 - 5
Termination Benefits	0 - 0	0 - 0

Principal 2

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	0 - 0	140 - 150
Benefits and Other Emoluments	0 - 0	0 - 5
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	10.00	4.00
110 - 120	5.00	1.00
	15.00	5.00

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



20. 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
Total	\$ -	\$ -
Number of People	-	-

21. 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.

As at balance date the school had received notification of 2 potential claims. The Board are actively addressing the concerns raised.

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has not entered into any contract agreements.

(Capital commitments at 31 December 2020: nil)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into the following contracts:

(a) operating lease of a photocopier service charge;

	2021 Actual	2020 Actual
No later than One Year	\$ 7,977	\$ 11,965
Later than One Year and No Later than Five Years	-	7,977
	<u>7,977</u>	<u>19,942</u>

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	399,699	270,361	389,581
Receivables	362,828	315,307	315,307
Total Financial Assets Measured at amortised cost	<u>762,527</u>	<u>585,668</u>	<u>704,888</u>

Financial liabilities measured at amortised cost

Payables	411,883	355,441	355,441
Borrowings - Loans	1,723	-	-
Finance Leases	34,371	51,061	51,061
Total Financial Liabilities Measured at Amortised Cost	<u>447,977</u>	<u>406,502</u>	<u>406,502</u>

24. Events After Balance Date

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

25. Comparatives

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



26. 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.



25 May 2022

Kiwisport Funding

Cornerstone Christian school utilises the kiwi sport funding to support the administration of extra-curricular sport.

We had 60 teams in 2021 with 224 participants. (Out of 580 students.)

The fund allowed us to subsidise 10 hours a week (out of 20 every week) to support a sports coordinator to administer the formation of teams, organise coaches, managers and umpires. The sport coordinator also liaises with associations to sign off on payments and deliver correspondence to the appropriate person. She also supports teams in their games, ensuring students are turning up and displaying the school values towards coaches, other teams, and organisers.

Kind Regards



Craig McDonald

Director of Sports and Events