

INDEPENDENT AUDITOR'S REPORT

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

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 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with the Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 24 May 2023. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included in the Analysis of Variance, the Kiwisport Report and Statement of Compliance with Employment Policy, the Members of the Board, 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 2022

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 2022

Index

Page	Statement
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	Financial Statements
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1	Statement of Responsibility
2	Members of the Board
3	Statement of Comprehensive Revenue and Expense
4	Statement of Changes in Net Assets/Equity
5	Statement of Financial Position
6	Statement of Cash Flows
7 - 18	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

	Statement of Compliance with Employment Policy
--	--

	Independent Auditor's Report
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Cornerstone Christian School

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the School.

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

Joanne Auer
Full Name of Presiding Member

[Signature]
Signature of Presiding Member

24/5/23
Date:

Christopher David Mitchell
Full Name of Principal

[Signature]
Signature of Principal

24/5/23
Date:

Cornerstone Christian School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/Expires
Jo Auer	Presiding Member	Elected	Sep 2025
Chris Mitchell	Principal	ex Officio	
Braden Simpson	Parent Representative	Elected	Sep 2025
Shannon King	Parent Representative	Elected	Sep 2022
Gina Toa	Parent Representative	Elected	Sep 2022
Richard Tankersley	Proprietors Representative	Appointed	Sep 2025
Simon McCracken	Proprietors Representative	Appointed	Sep 2025
Glenn de Groot	Proprietors Representative	Appointed	Sep 2025
Rachel Burn	Proprietors Representative	Appointed	Sep 2025
Heslia Swanepoel	Staff Representative	Elected	Sep 2022
Irin Lipson	Student Representative	Elected	Sep 2022
Rachel Burn	Student Representative	Appointed	Sep 2025
Karina Anderson	Staff Representative	Elected	Sep 2025
Caragh Aspden	Student Representative	Elected	Sep 2025
Paul Yates	Parent Representative	Elected	Sep 2025
Erin Reid	Parent Representative	Elected	Sep 2025
Marelize Bester	Parent Representative	Elected	Sep 2025

Cornerstone Christian School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	5,931,945	5,140,083	5,579,426
Locally Raised Funds	3	305,441	56,545	166,281
Use of Proprietor's Land and Buildings		941,361	1,400,000	937,885
Interest Income		3,558	600	873
		<u>7,182,305</u>	<u>6,597,228</u>	<u>6,684,465</u>
Expenses				
Locally Raised Funds	3	250,173	2,200	104,258
Learning Resources	4	5,248,461	4,712,090	5,141,413
Administration	5	335,765	265,313	312,124
Finance		3,903	-	4,271
Property	6	1,250,000	1,732,065	1,245,661
Other Expenses	7	1,618	-	1,618
Loss on Disposal of Property, Plant and Equipment		157	-	1,548
		<u>7,090,077</u>	<u>6,711,668</u>	<u>6,810,893</u>
Net Surplus / (Deficit) for the year		92,228	(114,440)	(126,428)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>92,228</u>	<u>(114,440)</u>	<u>(126,428)</u>

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



Cornerstone Christian School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		653,232	653,232	759,341
Total comprehensive revenue and expense for the year		92,228	(114,440)	(126,428)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		105,240	-	20,319
Contribution - Te Mana Tuhono		-	-	-
Equity at 31 December		850,700	538,792	653,232
Accumulated comprehensive revenue and expense		846,793	479,283	593,723
Reserves	18	3,907	59,509	59,509
Equity at 31 December		850,700	538,792	653,232

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 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets				
Cash and Cash Equivalents	8	556,661	402,034	399,699
Accounts Receivable	9	505,173	362,828	362,828
GST Receivable		6,458	5,877	5,877
Prepayments		5,617	4,188	4,188
Inventories	10	2,288	47,596	47,596
		<u>1,076,197</u>	<u>822,523</u>	<u>820,188</u>
Current Liabilities				
Accounts Payable	13	470,695	411,883	411,883
Borrowings	14	1,381	667	667
Revenue Received in Advance	15	1,219	2,000	2,000
Provision for Cyclical Maintenance	16	36,455	43,322	17,389
Finance Lease Liability	17	19,129	25,383	25,383
		<u>528,879</u>	<u>483,255</u>	<u>457,322</u>
Working Capital Surplus/(Deficit)		547,318	339,268	362,866
Non-current Assets				
Property, Plant and Equipment	11	458,894	344,093	444,786
Equitable Leasehold Interest	12	32,366	33,984	33,984
		<u>491,260</u>	<u>378,077</u>	<u>478,770</u>
Non-current Liabilities				
Borrowings	14	506	1,056	1,056
Provision for Cyclical Maintenance	16	148,286	168,509	178,360
Finance Lease Liability	17	39,086	8,988	8,988
		<u>187,878</u>	<u>178,553</u>	<u>188,404</u>
Net Assets		<u>850,700</u>	<u>538,792</u>	<u>653,232</u>
Equity		<u>850,700</u>	<u>538,792</u>	<u>653,232</u>

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 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,887,390	1,677,958	1,574,794
Locally Raised Funds		174,235	56,545	175,814
Goods and Services Tax (net)		(581)	-	6,677
Payments to Employees		(1,028,317)	(861,913)	(955,698)
Payments to Suppliers		(872,551)	(784,370)	(719,364)
Interest Paid		(3,903)	-	(4,271)
Interest Received		3,535	600	849
Net cash from/(to) Operating Activities		159,808	88,820	78,801
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(89,315)	(86,485)	(73,065)
Net cash (to)/from Investing Activities		(89,315)	(86,485)	(73,065)
Cash flows from Financing Activities				
Furniture and Equipment Grant		105,240	-	20,319
Finance Lease Payments		(17,390)	-	(17,660)
Repayment of Loans		(1,381)	-	1,723
Net cash from/(to) Financing Activities		86,469	-	4,382
Net increase/(decrease) in cash and cash equivalents		156,962	2,335	10,118
Cash and cash equivalents at the beginning of the year	8	399,699	399,699	389,581
Cash and cash equivalents at the end of the year	8	556,661	402,034	399,699

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.



Cornerstone Christian School

Notes to the Financial Statements

For the year ended 31 December 2022

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 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

A school recognises its obligation to maintain the 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 16.

Useful lives of property, plant and equipment

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



Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 17. Future operating lease commitments are disclosed in note 23b.

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

The property from which the School operates is owned by the 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 where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Operating Lease Payments

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

1.5. Finance Lease Payments

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



1.6. Cash and Cash Equivalents

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

1.7. Accounts Receivable

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

1.8. Inventories

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

1.9. Investments

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

1.10. Property, Plant and Equipment

Land and buildings owned by the 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 Statement of Comprehensive Revenue and Expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

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

The estimated useful lives of the assets are:

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



1.11. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

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

1.12. Accounts Payable

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

1.13. Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

1.14. Revenue Received in Advance

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

1.15. Provision for Cyclical Maintenance

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

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



1.16. Financial Instruments

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

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

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

1.17. 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.

1.18. 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.

1.19. Budget Figures

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

1.20. Services received in-kind

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



2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	1,791,069	1,614,517	1,539,136
Teachers' Salaries Grants	4,052,132	3,462,125	3,959,048
Other Government Grants	88,744	63,441	81,242
	<u>5,931,945</u>	<u>5,140,083</u>	<u>5,579,426</u>

The School has opted in to the donations scheme for this year. Total amount received was \$88,650 (2021: \$85,800).

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	13,595	2,500	10,616
Fees for Extra Curricular Activities	39,736	-	41,492
Trading	199,402	22,000	75,134
Fundraising & Community Grants	28,760	14,045	4,303
Other Revenue	23,948	18,000	34,736
	<u>305,441</u>	<u>56,545</u>	<u>166,281</u>
Expenses			
Extra Curricular Activities Costs	36,299	2,200	34,152
Trading	213,874	-	70,106
	<u>250,173</u>	<u>2,200</u>	<u>104,258</u>
Surplus / (Deficit) for the year Locally raised funds	<u>55,268</u>	<u>54,345</u>	<u>62,023</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	307,655	340,418	256,702
Information and Communication Technology	23,016	43,400	33,169
Library Resources	702	2,800	702
Employee Benefits - Salaries	4,744,954	4,103,694	4,644,021
Staff Development	20,651	34,600	23,504
Depreciation	151,483	187,178	183,315
	<u>5,248,461</u>	<u>4,712,090</u>	<u>5,141,413</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	6,726	6,276	6,554
Board Fees	6,410	7,425	6,270
Board Expenses	15,067	11,600	6,070
Communication	3,202	5,000	4,202
Consumables	19,972	20,500	18,522
Legal Fees	2,608	5,000	15,650
Other	38,468	32,846	31,418
Employee Benefits - Salaries	230,961	164,000	219,199
Insurance	5,451	5,442	2,639
Service Providers, Contractors and Consultancy	6,900	7,224	1,600
	<u>335,765</u>	<u>265,313</u>	<u>312,124</u>



6. Property

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	14,317	7,000	18,136
Consultancy and Contract Services	7,228	94,000	86,769
Cyclical Maintenance Provision	11,276	33,471	23,342
Grounds	45,106	34,000	24,341
Heat, Light and Water	39,481	43,000	41,713
Rates	8,496	6,000	4,173
Repairs and Maintenance	62,668	54,250	42,426
Use of Land and Buildings	941,361	1,400,000	937,885
Security	3,925	4,000	4,035
Employee Benefits - Salaries	116,142	56,344	62,841
	<u>1,250,000</u>	<u>1,732,065</u>	<u>1,245,661</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

7. Other Expenses

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Amortisation of Equitable lease	1,618	-	1,618
	<u>1,618</u>	<u>-</u>	<u>1,618</u>

8. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	556,661	402,034	399,699
Cash and Cash Equivalents for Statement of Cash Flows	<u>556,661</u>	<u>402,034</u>	<u>399,699</u>

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

9. Accounts Receivable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	143,183	12,758	12,758
Receivables from the Ministry of Education	-	29,774	29,774
Interest Receivable	47	24	24
Teacher Salaries Grant Receivable	361,943	320,272	320,272
	<u>505,173</u>	<u>362,828</u>	<u>362,828</u>
Receivables from Exchange Transactions	143,230	12,782	12,782
Receivables from Non-Exchange Transactions	361,943	350,046	350,046
	<u>505,173</u>	<u>362,828</u>	<u>362,828</u>

10. Inventories

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
School Uniforms	2,288	47,596	47,596
	<u>2,288</u>	<u>47,596</u>	<u>47,596</u>



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Furniture and Equipment	357,737	105,176	-	-	(92,385)	370,528
Information and Communication Technology	37,459	5,424	-	-	(14,798)	28,085
Motor Vehicles	6,019	-	-	-	(3,777)	2,242
Textbooks	4,377	-	-	-	(3,772)	605
Leased Assets	33,291	53,625	-	-	(29,562)	57,354
Library Resources	5,903	1,523	(157)	-	(7,189)	80
Balance at 31 December 2022	444,786	165,748	(157)	-	(151,483)	458,894

The net carrying value of equipment held under a finance lease is \$57,354 (2021: \$33,291)

Restrictions

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

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	1,150,938	(780,410)	370,528	1,045,762	(688,025)	357,737
Information and Communication Technology	435,608	(407,523)	28,085	430,184	(392,725)	37,459
Motor Vehicles	61,166	(58,924)	2,242	61,166	(55,147)	6,019
Textbooks	99,932	(99,327)	605	99,932	(95,555)	4,377
Leased Assets	86,526	(29,172)	57,354	86,659	(53,368)	33,291
Library Resources	57,516	(57,436)	80	57,523	(51,620)	5,903
Balance at 31 December	1,891,686	(1,432,792)	458,894	1,781,226	(1,336,440)	444,786

12. 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 35 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.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
The major capital works assets included in the equitable leasehold interest are:			
Senior Playground			
Cost	56,618	56,618	56,618
Balance at 31 December 2022	56,618	56,618	56,618
Less			
Amortisation expense	24,252	22,634	22,634
Balance at 31 December 2022	24,252	22,634	22,634
Balance at 31 December 2022	32,366	33,984	33,984
Annual Amortisation	1,618	-	1,618



13. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	56,444	50,637	50,637
Accruals	6,726	6,094	6,094
Employee Entitlements - Salaries	402,702	349,687	349,687
Employee Entitlements - Leave Accrual	4,823	5,465	5,465
	<u>470,695</u>	<u>411,883</u>	<u>411,883</u>
Payables for Exchange Transactions	470,695	411,883	411,883
	<u>470,695</u>	<u>411,883</u>	<u>411,883</u>

The carrying value of payables approximates their fair value.

14. Borrowings

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Loans due in one year	1,381	667	667
Loans due after one year	506	1,056	1,056
	<u>1,887</u>	<u>1,723</u>	<u>1,723</u>

The School has borrowings at 31 December 2022 of \$1,887 (31 December 2021 \$1,723). This loan is for 2 iPhones and is interest free.

15. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other Revenue in Advance	1,219	2,000	2,000
	<u>1,219</u>	<u>2,000</u>	<u>2,000</u>

16. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	195,749	195,749	172,407
Increase to the Provision During the Year	36,635	33,471	33,471
Other Adjustments	(25,359)	-	(10,129)
Use of the Provision During the Year	(22,284)	(17,389)	-
Provision at the End of the Year	<u>184,741</u>	<u>211,831</u>	<u>195,749</u>
Cyclical Maintenance - Current	36,455	43,322	17,389
Cyclical Maintenance - Non current	<u>148,286</u>	<u>168,509</u>	<u>178,360</u>
	<u>184,741</u>	<u>211,831</u>	<u>195,749</u>

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



17. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	23,618	26,011	26,011
Later than One Year and no Later than Five Years	42,800	10,988	10,988
Future Finance Charges	(8,203)	(2,628)	(2,628)
	<u>58,215</u>	<u>34,371</u>	<u>34,371</u>
Represented by:			
Finance lease liability - Current	19,129	25,383	25,383
Finance lease liability - Non current	39,086	8,988	8,988
	<u>58,215</u>	<u>34,371</u>	<u>34,371</u>

18. Reserves

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Iplex (Library Grant)	-	-	-
T McCarthy Trust Reserve (Library Grant)	-	-	2,000
MOE - furniture & Equipment Grant - L Block	3,907	57,509	57,509
	<u>3,907</u>	<u>57,509</u>	<u>59,509</u>

19. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the School. The School enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the School would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

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".

20. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
Board Members		
Remuneration	6,410	6,270
Leadership Team		
Remuneration	839,761	828,364
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	<u>846,171</u>	<u>834,634</u>

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 Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions and other disciplinary matters.



Principal

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	150 - 160
Benefits and Other Emoluments	5 - 6	4 - 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	2022 FTE Number	2021 FTE Number
100 - 110	12.00	10.00
110 - 120	3.00	5.00
120 - 130	1.00	-
130 - 140	-	-
	<u>16.00</u>	<u>15.00</u>

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

21. Compensation and Other Benefits Upon Leaving

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

	2022 Actual \$	2021 Actual \$
Total	14,000	-
Number of People	2	-

22. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up payment

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

23. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has not entered into any contract agreements for capital works.

(Capital commitments in relation to Ministry projects at 31 December 2021: nil)

(b) Operating Commitments

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

(a) operating lease of a photocopier service charge;

	2022 Actual \$	2021 Actual \$
No later than One Year	-	7,977
	<u>-</u>	<u>7,977</u>



24. Financial Instruments

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

Financial assets measured at amortised cost

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	556,661	402,034	399,699
Receivables	505,173	362,828	362,828
Total Financial assets measured at amortised cost	<u>1,061,834</u>	<u>764,862</u>	<u>762,527</u>

Financial liabilities measured at amortised cost

Payables	470,695	411,883	411,883
Borrowings - Loans	1,887	1,723	1,723
Finance Leases	58,215	34,371	34,371
Total Financial liabilities measured at amortised Cost	<u>530,797</u>	<u>447,977</u>	<u>447,977</u>

25. Events After Balance Date

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

26. Comparatives

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



Kiwisport Funding for year ended 31 December 2022

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

We had 67 teams in 2022 with 280 participants. (Out of 600 students.)

The kiwisport 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.

Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Cornerstone Christian School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.