

MATAMATA CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 01186

Principal: Alistair Paterson

School Address: 91a Smith Street, Matamata

School Postal Address: 91a Smith Street, Matamata

School Phone: (07) 888 5444

School Email: office@matamata.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Les Steed-Conway	Presiding Member	Voted	2022
Alistair Paterson	Principal ex Officio	School Representative	2022
Craig Hawes	Parent Representative	Voted	2022
Tim Chen	Parent Representative	Voted	2022
Karlyn Mataitoga	Parent Representative	Voted	2022
Spence Reichardt	Parent Representative	Assoc Rep	2022
Rosie Hill	Parent Representative	Assoc Rep	2022
Glen Cane	Parent Representative	Assoc Rep	2022
Michele Lee	Staff Representative	Voted	2022

Accountant / Service Provider: CATAS Ltd

MATAMATA CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2021

Index

Page	Statement
------	-----------

	Financial Statements
--	-----------------------------

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

Matamata 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.

Karlyn Mataitoga
Full Name of Presiding Member


Signature of Presiding Member

8/8/23
Date:

ALISTAIR BLAIR PATERSON
Full Name of Principal


Signature of Principal

09-08-2023
Date:

Matamata Christian School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	717,635	663,369	693,627
Locally Raised Funds	3	43,241	37,252	39,484
Use of Proprietor's Land and Buildings		93,500	99,600	99,600
Interest Income		1,286	2,297	2,484
Gain on Sale of Property, Plant and Equipment		304	-	-
		855,966	802,518	835,195
Expenses				
Locally Raised Funds	3	21,782	25,117	26,933
Learning Resources	4	614,305	581,967	569,176
Administration	5	74,296	82,629	74,090
Finance		338	-	-
Property	6	129,562	134,891	132,649
Depreciation	11	24,177	27,000	34,574
Transport		-	-	-
		864,460	851,604	837,422
Net Surplus / (Deficit) for the year		(8,494)	(49,086)	(2,227)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(8,494)	(49,086)	(2,227)

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



Matamata 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		181,239	179,044	181,272
Total comprehensive revenue and expense for the year		(8,494)	(49,086)	(2,227)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,210	2,194	2,194
Equity at 31 December		174,956	132,152	181,239
Retained Earnings		174,956	132,152	181,239
Reserves		-	-	-
Equity at 31 December		174,956	132,152	181,239

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.



Matamata Christian School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	19,001	1,455	5,217
Accounts Receivable	8	56,250	54,683	54,684
GST Receivable		5,605	3,930	3,929
Inventories	9	7,655	12,295	12,295
Investments	10	128,880	102,708	127,708
		217,391	175,071	203,833
Current Liabilities				
Accounts Payable	12	54,954	59,104	59,104
Borrowings	13	2,821	2,821	2,821
Finance Lease Liability	14	4,819	6,683	6,683
Funds held on behalf of Matamata Cluster	15	17,958	-	-
		80,552	68,608	68,608
Working Capital Surplus/(Deficit)		136,839	106,463	135,225
Non-current Assets				
Property, Plant and Equipment	11	52,785	39,450	59,776
		52,785	39,450	59,776
Non-current Liabilities				
Borrowings	13	5,642	8,462	8,462
Finance Lease Liability	14	9,026	5,300	5,300
		14,668	13,762	13,762
Net Assets		174,956	132,152	181,239
Equity		174,956	132,152	181,239

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



Matamata Christian School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		204,836	171,806	226,822
Locally Raised Funds		46,527	37,253	39,603
Goods and Services Tax (net)		(1,677)	(1)	2,315
Payments to Employees		(132,910)	(102,344)	(121,968)
Payments to Suppliers		(105,024)	(133,291)	(117,582)
Interest Paid		(338)	-	-
Interest Received		1,212	2,297	2,698
Net cash from/(to) Operating Activities		12,626	(24,280)	31,888
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		304	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(17,187)	(6,676)	(4,618)
Purchase of Investments		(1,172)	-	(33,585)
Proceeds from Sale of Investments		-	25,000	-
Net cash from/(to) Investing Activities		(18,055)	18,324	(38,203)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,210	2,194	2,194
Finance Lease Payments		1,863	-	(6,627)
Loans Received/ Repayment of Loans		(2,820)	-	(2,821)
Funds Administered on Behalf of Third Parties		17,958	-	-
Net cash from/(to) Financing Activities		19,212	2,194	(7,254)
Net increase/(decrease) in cash and cash equivalents		13,783	(3,762)	(13,569)
Cash and cash equivalents at the beginning of the year	7	5,217	5,218	18,787
Cash and cash equivalents at the end of the year	7	19,001	1,456	5,218

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.



Matamata Christian School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Matamata 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.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

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



Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the 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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

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

j) Property, Plant and Equipment

Land and buildings owned by the 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 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	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

k) Intangible Assets

Software costs

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

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

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

o) Shared Funds

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

p) Financial Instruments

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

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

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

q) 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.

r) 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.

s) Budget Figures

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

t) 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	192,229	165,868	170,477
Teachers' Salaries Grants	499,444	480,000	466,806
Other MoE Grants	25,962	17,501	56,344
	<u>717,635</u>	<u>663,369</u>	<u>693,627</u>

The school has opted in to the donations scheme for this year. Total amount received was \$11,250.

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	6,584	8,980	6,834
Fees for Extra Curricular Activities	13,517	12,691	19,613
Trading	5,900	8,573	5,442
Fundraising & Community Grants	10,252	1,458	2,750
Other Revenue	6,988	5,550	4,845
	<u>43,241</u>	<u>37,252</u>	<u>39,484</u>
Expenses			
Extra Curricular Activities Costs	14,201	16,533	23,531
Trading	7,015	7,313	3,124
Other Locally Raised Funds Expenditure	566	1,271	278
	<u>21,782</u>	<u>25,117</u>	<u>26,933</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>21,459</u>	<u>12,135</u>	<u>12,551</u>

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	16,898	18,209	8,261
Library Resources	259	405	551
Employee Benefits - Salaries	591,839	557,332	553,149
Staff Development	5,309	6,021	7,215
	<u>614,305</u>	<u>581,967</u>	<u>569,176</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	6,043	2,750	4,973
Board Fees	1,600	1,487	1,710
Board Expenses	414	-	-
Communication	1,924	1,417	1,355
Consumables	2,886	6,270	6,735
Operating Lease	1,177	3,689	1,177
Other	17,490	27,275	17,849
Employee Benefits - Salaries	37,732	34,381	35,625
Service Providers, Contractors and Consultancy	5,030	5,360	4,666
	74,296	82,629	74,090

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	3,004	3,651	3,663
Consultancy and Contract Services	23,062	22,517	19,875
Grounds	4,549	3,582	3,300
Heat, Light and Water	4,539	4,247	4,688
Repairs and Maintenance	833	1,294	1,523
Use of Land and Buildings	93,500	99,600	99,600
Security	75	-	-
	129,562	134,891	132,649

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

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	19,001	1,455	5,217
Cash and cash equivalents for Statement of Cash Flows	19,001	1,455	5,217

Of the \$19,001 Cash and Cash Equivalents, \$17,958 is held by the School on behalf of the Matamata cluster. See note 15 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	1,889	5,174	5,175
Receivables from the Ministry of Education	8,137	10,189	10,189
Interest Receivable	566	492	492
Banking Staffing Underuse	6,038	-	-
Teacher Salaries Grant Receivable	39,620	38,828	38,828
	<u>56,250</u>	<u>54,683</u>	<u>54,684</u>
Receivables from Exchange Transactions	2,455	5,666	5,667
Receivables from Non-Exchange Transactions	53,795	49,017	49,017
	<u>56,250</u>	<u>54,683</u>	<u>54,684</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
School Uniforms	7,655	12,295	12,295
	<u>7,655</u>	<u>12,295</u>	<u>12,295</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	128,880	102,708	127,708
	<u>128,880</u>	<u>102,708</u>	<u>127,708</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Furniture and Equipment	31,112	5,107			(5,556)	30,663
Information and Communication Technology	5,825	1,910			(5,778)	1,957
Motor Vehicles	7,044				(7,044)	0
Leased Assets	7,626	9,499			(4,760)	12,365
Library Resources	8,169	729	(59)		(1,039)	7,800
Balance at 31 December 2021	<u>59,776</u>	<u>17,245</u>	<u>(59)</u>	<u>-</u>	<u>(24,177)</u>	<u>52,785</u>

The net carrying value of equipment held under a finance lease is \$12,365 (2020: \$7,626)

The net carrying value of motor vehicles held under a finance lease is \$0 (2020: \$0)

	2021	2021	2021	2020	2020	2020
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	78,827	(48,164)	30,663	73,720	(42,608)	31,112
Information and Communication T	123,315	(121,358)	1,957	121,405	(115,580)	5,825
Motor Vehicles	23,478	(23,478)	0	23,478	(16,434)	7,044
Leased Assets	42,791	(30,426)	12,365	33,292	(25,666)	7,626
Library Resources	25,054	(17,254)	7,800	24,384	(16,215)	8,169
Balance at 31 December	293,465	(240,680)	52,785	276,279	(216,503)	59,776

12. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	18,117	10,907	10,907
Banking Staffing Overuse	-	9,369	9,369
Employee Entitlements - Salaries	36,837	38,828	38,828
	54,954	59,104	59,104
Payables for Exchange Transactions	54,954	59,104	59,104
	54,954	59,104	59,104

The carrying value of payables approximates their fair value.

13. Borrowings

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Loans due in one year	2,821	2,821	2,821
Loans due after one year	5,642	8,462	8,462
	8,463	11,283	11,283

The school has borrowings at 31 December 2021 of \$8,463 (31 December 2020 \$11,283). This loan is from the Energy Efficiency and Conservation Authority for the purpose of LED Lighting. The loan is unsecured, interest is 0% per annum and the loan is payable quarterly in equal instalments of \$705.

14. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	4,819	6,683	6,683
Later than One Year and no Later than Five Years	9,027	5,300	5,300
	<u>13,846</u>	<u>11,983</u>	<u>11,983</u>
Represented by			
Finance lease liability - Current	4,819	6,683	6,683
Finance lease liability - Term	9,027	5,300	5,300
	<u>13,846</u>	<u>11,983</u>	<u>11,983</u>

15. Funds Held on Behalf of Cluster / Transport Network

Matamata Christian School is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Received from MoE	20,000	-	-
Funds Spent on Behalf of the Cluster	(42)	-	-
Distribution of Funds			
Waipa Christian School	(2,000)	-	-
Funds Held at Year End	<u>17,958</u>	<u>-</u>	<u>-</u>

16. Related Party Transactions

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

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

The Proprietor of the School (Peria Christian Education Incorporated) 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(c). 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'.

17. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	1,600	1,710
Full-time equivalent members	0.06	0.06
<i>Leadership Team</i>		
Remuneration	230,941	245,635
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	232,541	247,345

There are eight members of the board excluding the Principal. The school board held eight regular full meetings during the year. The board treasurer meets with the school secretary and sometimes the Principal monthly or as required. Being a state integrated school, the school board does not have a property committee, but two Proprietor Board members attend the regular school board meetings as well as six or seven of their own regular board meetings annually, including an AGM. In addition the presiding school board member meets with the school Principal regularly, mostly weekly, to consider general matters which may include strategic direction, student welfare 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	130 - 140	140 - 150
Benefits and Other Emoluments	0 - 4	0 - 4
Termination Benefits	Nil	Nil

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
0	0.00	0.00
	0.00	0.00

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



18. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	Nil	Nil
Number of People	Nil	Nil

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

There are no Capital or operating commitments as at 31 December 2021 (Capital commitments at 31 December 2020: nil)

21. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	19,001	1,455	5,217
Receivables	56,250	54,683	54,684
Investments - Term Deposits	128,880	102,708	127,708
Total Financial assets measured at amortised cost	204,131	158,846	187,609

Financial liabilities measured at amortised cost

Payables	54,954	59,104	59,104
Borrowings - Loans	8,463	11,283	11,283
Finance Leases	13,845	11,983	11,983
Total Financial Liabilities Measured at Amortised Cost	77,262	82,370	82,370

22. Events After Balance Date

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

23. Comparatives

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

24. COVID 19 Pandemic on going implications

Impact of Covid-19

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

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

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

Impact on operations

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

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

Reduction in locally raised funds

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

25. Breach of Legislation

The school breached Section 135 of the Education and Training Act 2020 which requires the school to provide its draft financial statements to their auditor by 31 March 2022. The deadline was breached (statements were received on the 22nd of September 2022) due to disruptions caused by the Covid 19 pandemic and the mandated isolation of staff.

This meant that the Board of Trustees then failed to comply with section 137 of the Education and Training Act 2020, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2022. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.



INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Matamata Christian School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021 and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 10 August 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 of Trustees is responsible for such internal control as it determines is necessary to

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the analysis of variance, Board of Trustees listing and Kiwisport report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand