



SOUTHLAND
ADVENTIST CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 4112

Principal: Joshua Taylor

School Address: 21 Durham Street, Waikiwi, Invercargill

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SOUTHLAND ADVENTIST CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2020

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Southland Adventist Christian School

Statement of Responsibility

For the year ended 31 December 2020

The Board of Trustees 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 2020 fairly reflect the financial position and operations of the School.

The School's 2020 financial statements are authorised for issue by the Board.

Arthur Owen Saunders

Full Name of Board Chairperson



Signature of Board Chairperson

10-06-21

Date:

Joshua Taylor

Full Name of Principal



Signature of Principal

10-06-21

Date:

Southland Adventist Christian School

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How Position Gained	Held Until
Owen Saunders	Chairperson	Elected	May 2022
Joshua Taylor	Principal	ex Officio	
Reece McLean	Parent Rep	Elected	May 2022
Russell Kells	Parent Rep	Elected	May 2022
Chanel Potgieter	Staff Rep	Elected	May 2022
Ross Gibbs	Proprietor's Rep	Appointed	May 2022
Sharon Robbie	Parent Rep	Elected	May 2022
Tulaga Aiolupotea	Proprietor's Rep	Appointed	May 2022
Nicky Radeineyer	Proprietor's Rep	Appointed	May 2022

Southland Adventist Christian School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	584,044	450,712	508,805
Locally Raised Funds	3	22,257	41,480	38,154
Use of Proprietor's Land and Buildings		169,600	120,000	128,000
Interest Income		60	100	72
		<u>775,961</u>	<u>612,292</u>	<u>675,031</u>
Expenses				
Locally Raised Funds	3	31,873	32,050	30,698
Learning Resources	4	446,821	365,846	409,601
Administration	5	50,044	57,590	48,146
Finance		486	-	304
Property	6	199,117	156,100	156,391
Depreciation	7	36,957	14,000	38,297
Loss on Disposal of Property, Plant and Equipment		4	-	3,311
		<u>765,302</u>	<u>625,586</u>	<u>686,748</u>
Net Surplus / (Deficit) for the year		10,659	(13,294)	(11,717)
Total Comprehensive Revenue and Expense for the Year		<u>10,659</u>	<u>(13,294)</u>	<u>(11,717)</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.

Southland Adventist Christian School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

		2020	2020	2019
		\$	\$	\$
	Notes	Actual	Budget (Unaudited)	Actual
Balance at 1 January		163,210	163,210	172,665
Total comprehensive revenue and expense for the year		10,659	(13,294)	(11,717)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,420	-	2,262
Equity at 31 December	21	176,289	149,916	163,210
Retained Earnings		176,289	149,916	163,210
Equity at 31 December		176,289	149,916	163,210

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.

Southland Adventist Christian School Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	111,309	68,740	68,034
Accounts Receivable	9	27,300	24,790	24,790
Prepayments		2,048	2,271	2,271
		<u>140,657</u>	<u>95,801</u>	<u>95,095</u>
Current Liabilities				
GST Payable		11,272	5,088	5,088
Accounts Payable	11	32,997	31,133	31,133
Revenue Received in Advance	12	1,185	533	533
Finance Lease Liability - Current Portion	14	7,992	6,997	6,997
Funds held in Trust	15	-	1,512	1,512
		<u>53,446</u>	<u>45,263</u>	<u>45,263</u>
Working Capital Surplus/(Deficit)		87,211	50,538	49,832
Non-current Assets				
Property, Plant and Equipment	10	103,568	116,725	130,725
		<u>103,568</u>	<u>116,725</u>	<u>130,725</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	11,685	10,052	10,052
Finance Lease Liability	14	2,805	7,295	7,295
		<u>14,490</u>	<u>17,347</u>	<u>17,347</u>
Net Assets		<u>176,289</u>	<u>149,916</u>	<u>163,210</u>
Equity	21	<u>176,289</u>	<u>149,916</u>	<u>163,210</u>

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

Southland Adventist Christian School Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		204,075	157,044	152,506
Locally Raised Funds		22,909	41,480	37,554
Goods and Services Tax (net)		6,184	-	(1,445)
Payments to Employees		(86,701)	(80,786)	(66,138)
Payments to Suppliers		(91,931)	(117,132)	(96,599)
Funds Administered on Behalf of Third Parties		(1,512)	-	1,512
Interest Received		60	100	72
Net cash from/(to) Operating Activities		53,084	706	27,462
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(5,562)	-	(8,577)
Net cash from/(to) Investing Activities		(5,562)	-	(8,577)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,420	-	2,262
Finance Lease Payments		(6,667)	-	(4,200)
Net cash from/(to) Financing Activities		(4,247)	-	(1,938)
Net increase/(decrease) in cash and cash equivalents				
		43,275	706	16,947
Cash and cash equivalents at the beginning of the year	8	68,034	68,034	51,087
Cash and cash equivalents at the end of the year	8	111,309	68,740	68,034

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.

Southland Adventist Christian School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

Southland Adventist 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 of Trustees (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 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

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 10.

Cyclical Maintenance

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

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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

1.3. Revenue Recognition

Government Grants

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

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

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

Other Grants

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

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

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

1.9. Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment 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:

Building improvements	10–75 years
Furniture and equipment	5-10 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	Term of Lease
Motor vehicles	7 years
Textbooks	3 years
Library resources	12.5% Diminishing value

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

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

Non cash generating assets

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

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

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

1.11. Accounts Payable

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

1.12. Employment Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

1.13. Revenue Received in Advance

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

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

1.15. Borrowings

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

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

1.16. 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.

1.17. Budget Figures

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

1.18. 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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	173,744	143,044	139,174
Teachers' Salaries Grants	378,413	293,668	356,299
Other MoE Grants	31,887	14,000	13,332
	<u>584,044</u>	<u>450,712</u>	<u>508,805</u>

The School has opted in to the donations scheme for this year. Total amount received was \$10,950.

Other MOE Grants total includes additional COVID-19 funding totalling \$18,941 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	2,486	20,500	12,755
Fundraising	1,481	2,000	1,604
Other Revenue	1,476	-	2,625
Transport Revenue	9,159	10,000	9,659
Trading	1,942	2,000	1,775
Activities	5,713	6,980	9,736
	<u>22,257</u>	<u>41,480</u>	<u>38,154</u>
Expenses			
Activities	2,789	2,500	3,408
Trading	2,743	3,000	968
Fundraising (Costs of Raising Funds)	375	100	-
Transport (Local)	25,966	26,450	26,322
	<u>31,873</u>	<u>32,050</u>	<u>30,698</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>(9,616)</u>	<u>9,430</u>	<u>7,456</u>

4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	10,459	17,262	15,266
Library Resources	49	80	10
Employee Benefits - Salaries	435,717	344,504	391,818
Staff Development	596	4,000	2,507
	<u>446,821</u>	<u>365,846</u>	<u>409,601</u>

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,508	4,800	3,406
Board of Trustees Fees	-	400	-
Board of Trustees Expenses	3,746	1,900	2,390
Communication	1,637	1,300	890
Consumables	3,592	11,800	3,250
Other	3,604	4,140	3,495
Employee Benefits - Salaries	29,514	29,950	30,694
Insurance	776	-	721
Service Providers, Contractors and Consultancy	3,667	3,300	3,300
	<u>50,044</u>	<u>57,590</u>	<u>48,146</u>

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	10,576	9,650	9,847
Cyclical Maintenance Provision	1,633	7,000	1,633
Grounds	4,444	5,000	3,153
Heat, Light and Water	7,508	6,850	6,822
Rates	2,953	2,800	2,873
Repairs and Maintenance	1,937	4,000	3,666
Use of Land and Buildings	169,600	120,000	128,000
Security	466	800	397
	<u>199,117</u>	<u>156,100</u>	<u>156,391</u>

The Use of Land and Buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

7. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Furniture and Equipment	9,336	6,100	10,749
Motor Vehicles	17,278	4,680	17,278
Leased Assets	9,112	2,155	8,869
Library Resources	1,231	1,065	1,401
	<u>36,957</u>	<u>14,000</u>	<u>38,297</u>

8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	100	-	100
Bank Current Account	57,146	68,740	13,898
Bank Call Account	54,063	-	54,036
Cash and cash equivalents for Statement of Cash Flows	<u>111,309</u>	<u>68,740</u>	<u>68,034</u>

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

9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Teacher Salaries Grant Receivable	27,300	24,790	24,790
	<u>27,300</u>	<u>24,790</u>	<u>24,790</u>
Receivables from Non-Exchange Transactions	27,300	24,790	24,790
	<u>27,300</u>	<u>24,790</u>	<u>24,790</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Furniture and Equipment	30,001	5,514	-	-	(9,336)	26,179
Motor Vehicles	80,714	-	-	-	(17,278)	63,436
Leased Assets	10,205	4,242	-	-	(9,112)	5,335
Library Resources	9,805	47	(3)	-	(1,231)	8,618
Balance at 31 December 2020	130,725	9,803	(3)	-	(36,957)	103,568

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Furniture and Equipment	148,745	(122,566)	26,179
Motor Vehicles	115,185	(51,749)	63,436
Leased Assets	34,800	(29,465)	5,335
Library Resources	38,287	(29,669)	8,618
Balance at 31 December 2020	337,017	(233,449)	103,568

The net carrying value of equipment held under a finance lease is \$5,335 (2019: \$10,205)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Furniture and Equipment	39,550	4,454	(3,254)	-	(10,749)	30,001
Motor Vehicles	97,992	-	-	-	(17,278)	80,714
Leased Assets	15,542	3,532	-	-	(8,869)	10,205
Library Resources	11,092	171	(57)	-	(1,401)	9,805
Balance at 31 December 2019	164,176	8,157	(3,311)	-	(38,297)	130,725

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Furniture and Equipment	143,231	(113,230)	30,001
Motor Vehicles	115,184	(34,470)	80,714
Leased Assets	33,914	(23,709)	10,205
Library Resources	38,253	(28,448)	9,805
Balance at 31 December 2019	330,582	(199,857)	130,725

11. Accounts Payable

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Operating creditors	2,477	3,021	3,021
Accruals	2,548	2,767	2,767
Employee Entitlements - salaries	27,300	24,790	24,790
Employee Entitlements - leave accrual	672	555	555
	32,997	31,133	31,133
Payables for Exchange Transactions	32,997	31,133	31,133
	32,997	31,133	31,133

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2020 Actual	2020 Budget (Unaudited)	2019 Actual
	\$	\$	\$
Other	1,185	533	533
	1,185	533	533

13. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	10,052	10,052	8,419
Increase to the Provision During the Year	1,633	-	1,633
Provision at the End of the Year	<u>11,685</u>	<u>10,052</u>	<u>10,052</u>
Cyclical Maintenance - Term	<u>11,685</u>	<u>10,052</u>	<u>10,052</u>

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:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	8,413	7,259	7,259
Later than One Year and no Later than Five Years	3,003	7,455	7,455
	<u>11,416</u>	<u>14,714</u>	<u>14,714</u>

15. Funds Held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	1,512	1,512
	<u>-</u>	<u>1,512</u>	<u>1,512</u>

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

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 (New Zealand Seven Day Adventists Schools Association) 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 1.4. 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 trustees of the Board, and Principal.

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	-	-
Full-time equivalent members	0.14	0.14
<i>Leadership Team</i>		
Remuneration	107,340	101,567
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	107,340	101,567
Total full-time equivalent personnel	1.14	1.14

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	90 - 100
Benefits and Other Emoluments	0 - 5	2 - 3
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	2020 FTE Number	2019 FTE Number
100 - 110	-	-
	-	-

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 trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2020 Actual \$	2019 Actual \$
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance - schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has not entered into any contract agreements.

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: nil)

21. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

22. 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	111,309	68,740	68,034
Receivables	27,300	24,790	24,790
Total Financial Assets Measured at amortised cost	<u>138,609</u>	<u>93,530</u>	<u>92,824</u>

Financial liabilities measured at amortised cost

Payables	32,997	31,133	31,133
Finance Leases	10,797	14,292	14,292
Total Financial Liabilities Measured at Amortised Cost	<u>43,794</u>	<u>45,425</u>	<u>45,425</u>

23. Move to New Site

In 2021 the school moved to the old Waikiwi School site.

24. Events After Balance Date

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

Analysis of Variance Reporting



School Name:	Southland Adventist Christian School	School Number:	4112
Strategic Goal:	Ensure high levels of staff performance and student achievement through implementation of self-review, targeted professional development and appraisal processes.		
Annual Goal:	Through internal evaluation and professional learning and development, create stronger connections between the New Zealand Curriculum, our local school curriculum and teacher practice.		
Achievement Targets:	<p>In 2019, only 3 out of 10 Pasifika students (30%) were 'at' or 'above' the expected curriculum level in Mathematics compared to 63% of the total school. The 2020 achievement target is that we raise the number of Pasifika students who are 'at' or 'above' the expected curriculum level in Mathematics to 90%.</p> <p>In 2019, only 25 out of 46 boys (54%) were 'at' or 'above' the expected curriculum level in Writing compared to 64% of the total school. Of the 21 boys who were not achieving 'at' or 'above', 13 were achieving 'below' and 8 were achieving 'well below'. The 2020 achievement target is that we move the 13 boys who were working 'below' the expected curriculum level in Writing to working 'at' the expected level.</p>		
Baseline Data:	<p>At the end of 2019, 3 out of 10 Pasifika students were 'at' or 'above' the expected curriculum level in Mathematics</p> <p>At the end of 2019, 25 out of 46 boys (54%) were 'at' or 'above' the expected curriculum level in Writing.</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>In 2020 we built upon the Mathematics pedagogical skills learned from Professional Learning Development from the past 3 years, by getting 2 further teachers to participate in the Accelerated Learning in Mathematics (ALiM) Programme.</p> <p>As part of the ALiM programme teachers have worked with small Maths groups in an attempt to get these students to make accelerated progress. The students involved in this programme made excellent progress. It also benefitted the teachers as they have been able to apply what they have learned through ALiM to their classroom teaching strategies.</p>	<p>In 2019, only 3 out of 10 Pasifika students (30%) were 'at' or 'above' the expected curriculum level in Mathematics compared to 63% of the total school. The 2020 achievement target is that we raise the number of Pasifika students who are 'at' or 'above' the expected curriculum level in Mathematics to 90%.</p> <p>According to our End of Year OTJs, the 7 Pasifika students who were below the expected level in Mathematics in 2019 are now achieving at the following levels. 2 have moved from below to at which shows accelerated progress. 2 are still below & 2 are still well below. 1 has left SACS. It is pleasing that 2 have made accelerated progress and 2 others have not slipped further below (still made one year's progress).</p> <p>Across the school, we now have 5 out of 10 Pasifika students (50%) achieving at or above the expected level in Mathematics.</p>	<p>ALiM was effective in helping to raise achievement for some of our Pasifika students who were achieving below the expected level.</p> <p>The skills teachers have learnt as part of the ALiM programme have also been transferred into the rest of their teaching. This has enabled our Maths achievement across the school to improve.</p>	<p>Although not all of our target students showed accelerated progress, all have made good progress considering their previous achievement.</p> <p>During 2021 we will be continuing with ALiM which will enable our teachers to continue to focus on a target group of students who have underachieving in Mathematics. As this programme becomes more embedded into our school learning culture, it will enable us to accelerate the progress of students identified by our teachers as needed a lift in Maths.</p>

<p>This year we have had a group of target students who were achieving below the expected curriculum level in Writing.</p> <p>Through staff PLD meetings, teachers have discussed strategies to accelerate the learning of these students. We have also conducted an Internal Evaluation into how well we teach from a local curriculum in conjunction with the New Zealand Curriculum to enhance student achievement.</p> <p>Teachers have used our “Teaching as Inquiry” appraisal model to develop their teaching of Writing and adapt their practice accordingly.</p>	<p>In 2019, only 25 out of 46 boys (54%) were ‘at’ or ‘above’ the expected curriculum level in Writing compared to 64% of the total school. Of the 21 boys who were not achieving ‘at’ or ‘above’, 13 were achieving ‘below’ and 8 were achieving ‘well below’. The 2020 achievement target is that we move the 13 boys who were working ‘below’ the expected curriculum level in Writing to working ‘at’ the expected level.</p> <p>According to our End of Year OTJs, the 13 boys who were below the expected level in Writing in 2019 are now achieving at the following levels. 5 are at, 4 are below and 1 is well below the expected level. 3 have left SACS. This means that half of the students remaining at SACS have made accelerated progress and moved to working at the expected curriculum level. Another 4 of the students still managed to make one year’s progress and just remain below the expected curriculum level. Only one student has moved from below to well below.</p> <p>Across the school, we now have 28 out of 48 boys (58%) achieving at or above the expected level in Writing.</p>	<p>Through staff professional development meeting, teachers have increased their amount of professional dialogue and have worked together to develop ways of raising achievement. There has been a focus on finding and discussing professional readings which relate to challenges teachers have had moving students forward in their learning.</p> <p>Ongoing observations have also helped provide a collaborative teaching environment where everyone is working together to raise the student achievement of this cohort.</p>	<p>We have had 5 boys make accelerated progress in Writing and 4 more boys make one year’s progress. Although we have more students we would like to see progress further, it is promising to see this level of progress.</p> <p>We can now build on the progress made this year to see further accelerated progress next year. We now have proven strategies to utilise in working towards our achievement goals.</p>
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Planning for next year:

Although the achievement targets for 2021 will be different than this year, we will continue to use the strategies we have developed to help increase achievement for Pasifika students in Maths and Boys in Writing.



Southland Adventist
Christian School

Growing - for Eternity

3 May 2021

Kiwisport is a government funding initiative to support student's participation in organised sport. During 2020, the school received a total Kiwisport fund of \$168.42 (excluding GST). The funding was spent on subsidising students participation in after school sports, namely futsal and touch rugby.



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF Southland Adventist Christian School'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Southland Adventist Christian School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, 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 2020, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement 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 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 10 June 2021. 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 of Trustees 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 of Trustees for the financial statements

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

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees 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 of Trustees is responsible for the other information. The other information comprises the information included on pages 18 to 21, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Michael Lee
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand