



SOUTHLAND
ADVENTIST CHRISTIAN SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 4112

Principal: Joshua Taylor

School Address: 28 Bainfield Road, Waikiwi, Invercargill

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Solutions & Services
Collaborative School Administration

SOUTHLAND ADVENTIST CHRISTIAN SCHOOL

Annual Report - For the year ended 31 December 2019

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Southland Adventist Christian School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Arthur Owen Saunders

Full Name of Board Chairperson

Joshua Taylor

Full Name of Principal



Signature of Board Chairperson



Signature of Principal

11-05-20

Date:

11/05/20

Date:

Southland Adventist Christian School

Members of the Board of Trustees

For the year ended 31 December 2019

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
Juie Freeborn	Parent Rep	Elected	Apr 2019
Russell Kells	Parent Rep	Elected	May 2022
Chanel Potgeiter	Staff Rep	Elected	May 2022
Rebecca Hansen	Proprietor's Rep	Appointed	Apr 2019
Ross Gibbs	Proprietor's Rep	Appointed	May 2022
Frank Boniface	Proprietor's Rep	Appointed	Apr 2019
Sharon Robbie	Parent Rep	Elected	May 2022
Tulaga Aiolupotea	Proprietor's Rep	Appointed	May 2022
Nicky Rademery	Proprietor's Rep	Appointed	May 2022

Southland Adventist Christian School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	508,805	454,188	454,553
Locally Raised Funds	3	38,154	35,600	39,519
Use of Land and Buildings Integrated		128,000	120,000	128,000
Interest Income		72	500	627
Gain on Sale of Property, Plant and Equipment		-	-	14,174
		<u>675,031</u>	<u>610,288</u>	<u>636,873</u>
Expenses				
Locally Raised Funds	3	30,698	32,650	35,273
Learning Resources	4	409,601	352,399	362,568
Administration	5	48,146	58,132	39,841
Finance Costs		304	-	370
Property	6	156,391	155,100	153,467
Depreciation	7	38,297	10,500	40,145
Loss on Disposal of Property, Plant and Equipment		3,311	-	-
		<u>686,748</u>	<u>608,781</u>	<u>631,664</u>
Net (Deficit)/Surplus		(11,717)	1,507	5,209
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(11,717)</u>	<u>1,507</u>	<u>5,209</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 2019

	2019 \$ Actual	2019 \$ Budget (Unaudited)	2018 \$ Actual
Balance at 1 January	172,665	172,665	167,456
Total comprehensive revenue and expense for the year	(11,717)	1,507	5,209
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	2,262	-	-
Equity at 31 December	163,210	174,172	172,665
Retained Earnings	163,210	174,172	172,665
Equity at 31 December	163,210	174,172	172,665

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 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	68,034	63,094	51,087
Accounts Receivable	9	24,790	17,298	17,298
Prepayments		2,271	2,253	2,253
		<u>95,095</u>	<u>82,645</u>	<u>70,638</u>
Current Liabilities				
GST Payable		5,088	6,533	6,533
Accounts Payable	11	31,133	27,258	27,258
Revenue Received in Advance	12	533	1,331	1,331
Finance Lease Liability - Current Portion	14	6,997	7,326	7,326
Funds held in Trust	15	1,512	-	-
		<u>45,263</u>	<u>42,448</u>	<u>42,448</u>
Working Capital Surplus/(Deficit)		49,832	40,197	28,190
Non-current Assets				
Property, Plant and Equipment	10	130,725	153,676	164,176
		<u>130,725</u>	<u>153,676</u>	<u>164,176</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	10,052	8,419	8,419
Finance Lease Liability	14	7,295	11,282	11,282
		<u>17,347</u>	<u>19,701</u>	<u>19,701</u>
Net Assets		<u>163,210</u>	<u>174,172</u>	<u>172,665</u>
Equity		<u>163,210</u>	<u>174,172</u>	<u>172,665</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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		152,506	160,520	148,077
Locally Raised Funds		37,554	35,600	43,292
Bainfield Trust Grants		-	-	(116,174)
Goods and Services Tax (net)		(1,445)	-	17,701
Payments to Employees		(66,138)	(67,401)	(67,836)
Payments to Suppliers		(96,599)	(117,212)	(83,460)
Interest Received		72	500	2,989
Net cash from / (to) the Operating Activities		25,950	12,007	(55,411)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	14,174
Purchase of PPE (and Intangibles)		(8,577)	-	(19,741)
Proceeds from Sale of Investments		-	-	97,202
Net cash from the Investing Activities		(8,577)	-	91,635
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,262	-	-
Finance Lease Payments		(4,200)	-	(10,163)
Net cash from Financing Activities		(426)	-	(10,163)
Net increase/(decrease) in cash and cash equivalents		16,947	12,007	26,061
Cash and cash equivalents at the beginning of the year	8	51,087	51,087	25,026
Cash and cash equivalents at the end of the year	8	68,034	63,094	51,087

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 omitted.

The above Cash Flow Statement 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

1. Statement of Accounting Policies

For the year ended 31 December 2019

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 Act 1989. 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 2019 to 31 December 2019 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 Act 1989 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

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. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

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.

Property, plant and equipment acquired with individual values under \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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	3 years
Motor vehicles	7 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, annual leave earned 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. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions 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 at any time.

1.15. Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

1.16. Financial Assets and Liabilities

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 "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" 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.

1.17. Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.



1.18. Budget Figures

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

1.19. Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	139,174	155,520	140,169
Teachers' salaries grants	356,299	293,668	306,476
Other MoE Grants	13,332	5,000	7,908
	<u>508,805</u>	<u>454,188</u>	<u>454,553</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	12,755	10,000	13,825
Fundraising	1,604	2,000	1,588
Other revenue	2,625	-	1,426
Transport Revenue	9,659	11,000	11,430
Trading	1,775	3,300	3,478
Activities	9,736	9,300	7,772
	<u>38,154</u>	<u>35,600</u>	<u>39,519</u>
Expenses			
Activities	3,408	2,300	2,945
Trading	968	3,300	4,649
Fundraising (costs of raising funds)	-	100	174
Transport (local)	26,322	26,950	27,505
	<u>30,698</u>	<u>32,650</u>	<u>35,273</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>7,456</u>	<u>2,950</u>	<u>4,246</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	15,266	16,930	10,744
Library resources	10	100	-
Employee benefits - salaries	391,818	331,369	349,034
Staff development	2,507	4,000	2,790
	<u>409,601</u>	<u>352,399</u>	<u>362,568</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,406	4,390	3,228
Board of Trustees Fees	-	400	-
Board of Trustees Expenses	2,390	1,600	431
Communication	890	1,500	1,499
Consumables	3,250	12,850	2,033
Other	3,495	4,040	3,352
Employee Benefits - Salaries	30,694	29,700	25,308
Insurance	721	-	685
Service Providers, Contractors and Consultancy	3,300	3,652	3,305
	<u>48,146</u>	<u>58,132</u>	<u>39,841</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	9,847	8,750	8,670
Cyclical Maintenance Provision	1,633	7,000	1,633
Grounds	3,153	5,000	4,112
Heat, Light and Water	6,822	6,650	6,305
Rates	2,873	2,800	2,790
Repairs and Maintenance	3,666	4,000	1,059
Use of Land and Buildings	128,000	120,000	128,000
Security	397	900	898
	<u>156,391</u>	<u>155,100</u>	<u>153,467</u>

The use of land and buildings figure represents 8% of the school's total property value, as used for rating purposes. This is used as a 'proxy' for the market rental yield on the value of land and buildings.

7. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Furniture and Equipment	10,749	4,900	12,177
Motor Vehicles	17,278	4,900	17,193
Leased Assets	8,869	200	9,190
Library Resources	1,401	500	1,585
	<u>38,297</u>	<u>10,500</u>	<u>40,145</u>

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	100	-	100
Bank Current Account	13,898	63,094	12,488
Bank Call Account	54,036	-	38,499
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>68,034</u>	<u>63,094</u>	<u>51,087</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	198	198
Teacher Salaries Grant Receivable	24,790	17,100	17,100
	<u>24,790</u>	<u>17,298</u>	<u>17,298</u>
Receivables from Exchange Transactions	-	198	198
Receivables from Non-Exchange Transactions	24,790	17,100	17,100
	<u>24,790</u>	<u>17,298</u>	<u>17,298</u>



10. Property, Plant and Equipment

	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

The net carrying value of equipment held under a finance lease is \$10,205 (2018: \$15,542)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Furniture and Equipment	45,309	6,418	-	-	(12,177)	39,550
Motor Vehicles	108,696	6,489	-	-	(17,193)	97,992
Leased Assets	24,732	-	-	-	(9,190)	15,542
Library Resources	5,843	6,834	-	-	(1,585)	11,092
Balance at 31 December 2018	184,580	19,741	-	-	(40,145)	164,176

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Furniture and Equipment	151,936	(112,386)	39,550
Motor Vehicles	115,184	(17,192)	97,992
Leased Assets	34,334	(18,792)	15,542
Library Resources	38,280	(27,188)	11,092
Balance at 31 December 2018	339,734	(175,558)	164,176

11. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	3,021	7,024	7,024
Accruals	2,767	2,654	2,654
Employee Entitlements - salaries	24,790	17,100	17,100
Employee Entitlements - leave accrual	555	480	480
	31,133	27,258	27,258
Payables for Exchange Transactions	31,133	27,258	27,258
	31,133	27,258	27,258

The carrying value of payables approximates their fair value.



12. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	533	1,331	1,331
	<u>533</u>	<u>1,331</u>	<u>1,331</u>

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	8,419	8,419	6,786
Increase to the Provision During the Year	1,633	-	1,633
Provision at the End of the Year	<u>10,052</u>	<u>8,419</u>	<u>8,419</u>
Cyclical Maintenance - Term	10,052	8,419	8,419
	<u>10,052</u>	<u>8,419</u>	<u>8,419</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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	7,259	7,467	7,467
Later than One Year and no Later than Five Years	7,455	11,297	11,297
	<u>14,714</u>	<u>18,764</u>	<u>18,764</u>

15. Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,512	-	-
	<u>1,512</u>	<u>-</u>	<u>-</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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	-	-
Full-time equivalent members	0.14	0.12
<i>Leadership Team</i>		
Remuneration	101,567	99,445
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	<u>101,567</u>	<u>99,445</u>
Total full-time equivalent personnel	<u>1.14</u>	<u>1.12</u>

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	90 - 100
Benefits and Other Emoluments	2 - 3	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	2019 FTE Number	2018 FTE Number
100 - 110	-	-
110 - 120	-	-
	<u>-</u>	<u>-</u>

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:

	2019 Actual	2018 Actual
Total	\$ -	\$ -
Number of People	-	-

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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 has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2018: 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	68,034	63,094	51,087
Receivables	24,790	17,298	17,298
Total Financial Assets Measured at amortised cost	<u>92,824</u>	<u>80,392</u>	<u>68,385</u>

Financial liabilities measured at amortised cost

Payables	31,133	27,258	27,258
Finance Leases	14,292	18,608	18,608
Total Financial Liabilities Measured at Amortised Cost	<u>45,425</u>	<u>45,866</u>	<u>45,866</u>

23. Move to New Site

In 2021 the school plans to move to the old Waikiwi School site.

24. Events After Balance Date

Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26th March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed until 18 May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

25. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:
Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SOUTHLAND ADVENTIST CHRISTIAN SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 3 to 19, that comprise the Statement of Financial Position as at 31 December 2019, 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 2019; 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 11 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the possible effects of COVID-19. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of 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 arise from 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 20 to 23, 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 (Revised): *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

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 the use of appraisal tools improve teacher pedagogy so that teachers are reflective and using teaching as inquiry to inform teaching and improve practice.		
Achievement Targets:	<p>In 2018, only 14 out of 26 girls (54%) were 'at' or 'above' the expected curriculum level in Mathematics compared to 64% of the total school. The 2019 achievement target is that we raise the number of girls who are 'at' or 'above' the expected curriculum level in Mathematics to 65%.</p> <p>In 2018, only 23 out of 44 boys (52%) were 'at' or 'above' the expected curriculum level in Writing compared to 64% of the total school. The 2019 achievement target is that we raise the number of boys who are 'at' or 'above' the expected curriculum level in Writing to 65%.</p>		
Baseline Data:	<p>At the end of 2018, 12 girls were 'below' or 'well-below' the expected curriculum level in Mathematics.</p> <p>At the end of 2018, 21 boys were 'below' or 'well-below' 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>This year we have built upon the Mathematics pedagogical skills learned during 2017 and 2018, by participating in the Accelerated Learning in Mathematics (ALiM) Programme.</p> <p>Through this process teachers have worked with small Maths groups to try 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>Teachers have also used our "Teaching as Inquiry" appraisal model to develop their teaching of Mathematics and adapt their practice accordingly.</p>	<p>In 2018, only 14 out of 26 girls (54%) were at or above the expected curriculum level in Mathematics compared to 64% of the total school. The 2019 achievement target is that we raise the number of girls who are at or above the expected curriculum level in Mathematics to 65%.</p> <p>According to our End of Year OTJs, the 12 girls who were below the expected level in Mathematics in 2018 are now achieving at the following levels. 1 has moved from below to at which shows accelerated progress. 7 are still below & 2 are still well below. 2 have left SACS. Although it is disappointing that more have not made accelerated progress, it is promising that none of the 7 who were below in 2018, have slipped to well below.</p> <p>Across the school, we now have 15 out of 25 girls (60%) achieving at or above the expected level in Mathematics. We will continue to use our range of strategies to improve this target area.</p>	<p>Teaching practice has been strengthened through the measures we put into place during 2019. Although significant progress was made in teaching practice and strategies, we still did not see significant growth in student achievement.</p> <p>ALiM was however effective in raising the confidence of students who are achieving below the expected level. This increased confidence should set them in good stead for further progress next year.</p>	<p>Although in 2019 we did not make as much progress as hoped, the target students still made some progress.</p> <p>During 2019 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.</p> <p>We have discovered that it is important to be deliberate in identifying specific barriers to student learning if they are to make accelerated progress.</p>

<p>This year we have had a group of target students who were achieving below the expected curriculum level in Mathematics.</p> <p>Through staff PLD meetings, teachers have discussed strategies to accelerate the learning of these students.</p> <p>Teachers have also used our “Teaching as Inquiry” appraisal model to develop their teaching of Writing and adapt their practice accordingly.</p>	<p>In 2018, only 23 out of 44 boys (52%) were ‘at’ or ‘above’ the expected curriculum level in Writing compared to 64% of the total school. The 2019 achievement target is that we raise the number of boys who are ‘at’ or ‘above’ the expected curriculum level in Writing to 65%.</p> <p>According to our End of Year OTJs, the 21 boys who were below the expected level in Writing in 2018 are now achieving at the following levels. 1 has moved from below to above, 3 have moved from below to at and 2 have moved from well below to below – all 6 of these students have shown accelerated progress. 4 are still below & 6 are still well below. 2 have moved from below to well below. 3 have left SACS.</p> <p>Across the school, we now have 25 out of 46 boys (54%) achieving at or above the expected level in Writing. Although we are pleased to have seen 6 boys make accelerated progress, we still seek to increase the number of boys achieving the desired curriculum level.</p>	<p>Teachers have worked hard to focus on this group of priority students and change their practice to meet their needs.</p> <p>Teachers have increased their amount of professional dialogue and have worked together to develop ways of raising achievement.</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 6 boys make accelerated progress in Writing. Although we have more students we would like to move, 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 in 2020. We now have proven strategies to utilise in working towards our achievement goals.</p>
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Planning for next year:

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 above 90%.

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’ or ‘above’ the expected level.

**SOUTHLAND ADVENTIST CHRISTIAN SCHOOL
KIWISPORT
2019**

In 2019 the school received Kiwisport funding of \$953.40 (2018 \$842.01). The funding was spent on sports equipment and after school sports competition entry fees.