

ST MICHAEL'S CATHOLIC SCHOOL (ROTORUA)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

School Directory

Ministry Number: 1960

Principal: Rachael McLanachan

School Address: Lisa Crescent, Western Heights

School Postal Address: P O Box 8041, Western Heights, Rotorua, 3047

School Phone: 07 348 1362

School Email: office@stmichaelsrotorua.school.nz

Accountant / Service Provider:

Education  Services.
Dedicated to your school

St Michael's Catholic School (Rotorua)

Statement of Responsibility

For the year ended 31 December 2024

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2024 fairly reflects the financial position and operations of the School.

The School's 2024 financial statements are authorised for issue by the Board.

Joseph Assen

Full Name of Presiding Member

Rachael McLanachen

Full Name of Principal



Signature of Presiding Member



Signature of Principal

11/06/2025

Date:

11/06/2025

Date:

St Michael's Catholic School (Rotorua)

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2024

	Notes	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Equity at 1 January		246,332	171,771	182,109
Total comprehensive revenue and expense for the year		(5,420)	(9,105)	46,515
Contribution - Furniture and Equipment Grant		14,629	-	17,708
Equity at 31 December		255,541	162,666	246,332
Accumulated comprehensive revenue and expense		255,541	162,666	246,332
Equity at 31 December		255,541	162,666	246,332

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.

St Michael's Catholic School (Rotorua)
Statement of Cash Flows
For the year ended 31 December 2024

		2024	2024	2023
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		348,709	342,535	337,833
Locally Raised Funds		61,715	19,520	54,015
Goods and Services Tax (net)		488	-	8,139
Payments to Employees		(223,918)	(169,622)	(181,518)
Payments to Suppliers		(140,841)	(138,602)	(214,624)
Interest Paid		(570)	(359)	(499)
Interest Received		6,272	-	5,258
Net cash from/(to) Operating Activities		51,855	53,472	8,604
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(33,784)	(8,000)	(37,307)
Net cash from/(to) Investing Activities		(33,784)	(8,000)	(37,307)
Cash flows from Financing Activities				
Furniture and Equipment Grant		14,629	-	17,708
Finance Lease Payments		(14,211)	(16,459)	(14,279)
Net cash from/(to) Financing Activities		418	(16,459)	3,429
Net increase/(decrease) in cash and cash equivalents		18,489	29,013	(25,274)
Cash and cash equivalents at the beginning of the year	7	156,541	181,815	181,815
Cash and cash equivalents at the end of the year	7	175,030	210,828	156,541

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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.

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

The School recognises its obligation to maintain the Proprietor's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the School buildings. The estimate is based on the School's best estimate of the cost of painting the School and when the School is required to be painted, based on an assessment of the School's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment, as disclosed in the significant accounting policies, are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the School. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 19b.

Recognition of grants

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

g) Accounts Receivable

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

h) Inventories

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

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

j) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Proprietor or directly by the Board 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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

n) 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 or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

o) 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 Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

p) Shared Funds

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

2. Government Grants

Government Grants - Ministry of Education
Teachers' Salaries Grants

2024	2024	2023
Actual	Budget	Actual
\$	(Unaudited)	\$
348,639	344,807	344,372
729,045	573,329	662,833
1,077,684	918,136	1,007,205

3. Locally Raised Funds

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

Revenue

Donations and Bequests
Fees for Extra Curricular Activities
Trading
Fundraising and Community Grants

2024	2024	2023
Actual	Budget	Actual
\$	(Unaudited)	\$
17,402	-	12,422
20,093	9,520	16,869
130	-	192
20,828	10,000	26,104
58,453	19,520	55,587

Expense

Extra Curricular Activities Costs
Trading
Fundraising and Community Grant Costs

2024	2024	2023
Actual	Budget	Actual
\$	(Unaudited)	\$
28,975	29,557	22,904
354	-	268
-	-	735
29,329	29,557	23,907

Surplus/(Deficit) for the year Locally Raised Funds

29,124	(10,037)	31,680
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4. Learning Resources

Curricular
Employee Benefits - Salaries
Staff Development
Depreciation
Other Learning Resources
Equipment Repairs

2024	2024	2023
Actual	Budget	Actual
\$	(Unaudited)	\$
10,263	11,150	11,515
869,053	660,951	769,734
21,445	33,000	14,237
36,577	31,183	31,370
201	250	-
3,305	1,500	3,275
940,844	738,034	830,131

8. Accounts Receivable

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Receivables	1,236	2,121	314
Receivables from the Ministry of Education	2,482	-	-
Teacher Salaries Grant Receivable	68,390	48,976	60,976
	<u>72,108</u>	<u>51,097</u>	<u>61,290</u>
Receivables from Exchange Transactions	1,236	2,121	314
Receivables from Non-Exchange Transactions	70,872	48,976	60,976
	<u>72,108</u>	<u>51,097</u>	<u>61,290</u>

9. Inventories

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Stationery	-	464	324
	<u>-</u>	<u>464</u>	<u>324</u>

11. Accounts Payable

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Creditors	4,588	62,548	4,993
Accruals	7,711	6,303	4,242
Banking Staffing Overuse	-	4,336	-
Employee Entitlements - Salaries	68,390	48,976	60,976
Employee Entitlements - Leave Accrual	2,883	4,271	1,654
	<u>83,572</u>	<u>126,434</u>	<u>71,865</u>
Payables for Exchange Transactions	83,572	126,434	71,865
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>83,572</u>	<u>126,434</u>	<u>71,865</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Income in Advance	601	65	746
Sports Uniform Bond	-	1,865	-
Grants in Advance - Ministry of Education	8,832	-	2,358
	<u>9,433</u>	<u>1,930</u>	<u>3,104</u>

13. Provision for Cyclical Maintenance

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Provision at the Start of the Year	7,495	7,097	13,977
Increase to the Provision During the Year	9,940	8,495	8,635
Use of the Provision During the Year	-	-	(14,320)
Other Adjustments	374	-	(797)
Provision at the End of the Year	<u>17,809</u>	<u>15,592</u>	<u>7,495</u>
Cyclical Maintenance - Current	-	13,977	-
Cyclical Maintenance - Non current	17,809	1,615	7,495
	<u>17,809</u>	<u>15,592</u>	<u>7,495</u>

Per the cyclical maintenance schedule, the School is next expected to undertake painting works during 2032. This plan is based on the schools 10 Year Property plan / painting quotes.

16. Remuneration

Key management personnel compensation

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

	2024 Actual \$	2023 Actual \$
<i>Board Members</i>		
Remuneration	2,360	3,270
<i>Leadership Team</i>		
Remuneration	349,509	215,141
Full-time equivalent members	3.04	2.00
Total key management personnel remuneration	<u>351,869</u>	<u>218,411</u>

There are 5 members of the Board excluding the Principal. The Board has held 6 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2024 Actual \$000	2023 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2024 FTE Number	2023 FTE Number
110 - 120	1.00	0.00
	<u>1.00</u>	<u>0.00</u>

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

20. 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

	2024 Actual \$	2024 Budget (Unaudited) \$	2023 Actual \$
Cash and Cash Equivalents	175,030	210,828	156,541
Receivables	72,108	51,097	61,290
Investments - Term Deposits	-	-	-

Total financial assets measured at amortised cost	247,138	261,925	217,831
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Financial liabilities measured at amortised cost

Payables	83,572	126,434	71,865
Finance Leases	9,281	33,266	21,496

Total financial liabilities measured at amortised cost	92,853	159,700	93,361
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21. Events After Balance Date

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

22. Comparatives

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

St Michael's Catholic School (Rotorua)

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2024, the school received total Kiwisport funding of \$1,578 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2024 the St Michael's Catholic School (Rotorua) Board:

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST MICHAEL'S CATHOLIC SCHOOL (ROTORUA)'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The Auditor-General is the auditor of St Michael's Catholic School (Rotorua) (the School). The Auditor-General has appointed me, Mark Peterson, using the staff and resources of BDO Rotorua Limited, 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 20, that comprise the statement of financial position as at 31 December 2024, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - o its financial position as at 31 December 2024; and
 - o its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 18 June 2025. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

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

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



Mark Peterson
BDO Rotorua Limited
On behalf of the Auditor-General
Rotorua, New Zealand