

ST JOSEPH'S SCHOOL (BALCLUTHA)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 3826

Principal: Annette O'Mahony

School Address: 18 Stewart St, Balclutha

School Postal Address: 18 Stewart St, Balclutha 9230

School Phone: 03 418 2548

School Email: office@stjosephs.school.nz

Members of the Board:

Name	Position	How Position Gained	Term Expired / Expires
Ben Cameron	Presiding Member	Re-Elected	May 2025
Annette O'Mahony	Principal ex Officio	ex Officio	
Laura Irwin	Secretary / Parent Representative		May 2025
Julia McBride	Parent Representative	Elected	May 2025
Losefa Setu	Parent Representative	Resigned	March 2023
Debbie Baron	Parent Representative	Resigned	September 2023
Father Jacob	Proprietors Representative	Appointed	
Glenn May	Proprietors Representative	Appointed	
Niamh McElrea	Staff Representative	Appointed	

Accountant / Service Provider: Shand Thomson Ltd
Balclutha

ST JOSEPH'S SCHOOL (BALCLUTHA)

Annual Financial Statements - For the year ended 31 December 2023

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St Joseph's School (Balclutha)

Statement of Responsibility

For the year ended 31 December 2023

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 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Benjamin James Cameron

Full Name of Presiding Member

Signed by:

6A11656EACA09582

Signature of Presiding Member

01/06/2024

Date:

Annette O'Mahony

Full Name of Principal

Signed by:

06319EB2C1FF8246

Signature of Principal

30/05/2024

Date:

St Joseph's School (Balclutha)

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	557,582	184,472	600,424
Locally Raised Funds	3	10,353	-	10,818
Use of Proprietor's Land and Buildings		65,250	-	65,250
Interest		9,195	4,225	2,511
Total Revenue		642,380	188,697	679,003
Expense				
Locally Raised Funds	3	19,191	9,300	10,089
Learning Resources	4	404,776	133,349	471,649
Administration	5	65,237	65,402	62,469
Property	6	101,095	41,197	103,835
Other Expense	7	13	-	205
Loss on Disposal of Property, Plant and Equipment		-	-	398
Total Expense		590,312	249,248	648,645
Net Surplus / (Deficit) for the year		52,068	(60,551)	30,358
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		52,068	(60,551)	30,358

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

St Joseph's School (Balclutha)

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		262,075	262,075	229,280
Total comprehensive revenue and expense for the year		52,068	(60,551)	30,358
Contribution - Furniture and Equipment Grant		11,816	-	2,437
Equity at 31 December		325,959	201,524	262,075
Accumulated comprehensive revenue and expense		325,959	201,524	262,075
Reserves		-	-	-
Equity at 31 December		325,959	201,524	262,075

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 Joseph's School (Balclutha)

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	8	86,638	113,889	174,449
Accounts Receivable	9	58,259	38,426	38,427
Prepayments		4,806	4,641	4,641
Investments	10	136,946	59,561	59,561
		286,649	216,517	277,078
Current Liabilities				
GST Payable		1,929	11,038	11,048
Accounts Payable	12	38,502	50,593	50,593
Provision for Cyclical Maintenance	13	848	5,749	5,749
Finance Lease Liability	14	2,530	5,121	5,121
		43,809	72,501	72,511
Working Capital Surplus/(Deficit)		242,840	144,016	204,567
Non-current Assets				
Property, Plant and Equipment	11	94,038	62,892	62,892
		94,038	62,892	62,892
Non-current Liabilities				
Provision for Cyclical Maintenance	13	7,158	3,346	3,346
Finance Lease Liability	14	3,761	2,038	2,038
		10,919	5,384	5,384
Net Assets		325,959	201,524	262,075
Equity		325,959	201,524	262,075

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

St Joseph's School (Balclutha)

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		207,772	184,459	230,952
Locally Raised Funds		10,817	-	10,429
Goods and Services Tax (net)		(9,126)	-	3,644
Payments to Employees		(85,046)	(83,827)	(95,651)
Payments to Suppliers		(99,613)	(108,486)	(84,071)
Interest Received		5,306	4,225	1,946
Net cash from/(to) Operating Activities		30,110	(3,629)	67,249
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment		(43,739)	(56,931)	(15,090)
Purchase of Investments		(77,385)	-	(939)
Net cash from/(to) Investing Activities		(121,124)	(56,931)	(16,029)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,379	-	2,437
Finance Lease Payments		(6,176)	-	(1,790)
Net cash from/(to) Financing Activities		3,203	-	647
Net increase/(decrease) in cash and cash equivalents		(87,811)	(60,560)	51,867
Cash and cash equivalents at the beginning of the year	8	174,449	174,449	122,582
Cash and cash equivalents at the end of the year	8	86,638	113,889	174,449

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.

St Joseph's School (Balclutha)

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

St Joseph's School (Balclutha) (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense 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.

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 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 11.

Critical Judgements in applying accounting policies

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

Classification of leases

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

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

The property from which the School operates is owned by the Proprietor. Grants for the use of land and buildings are not received in cash by the school as they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) 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.

i) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	5-15 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3-12 years
Library resources	12.5% Diminishing value

j) Impairment of property, plant, and equipment

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 held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised 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 surplus or deficit.

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

k) 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.

l) 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.

m) Provision for Cyclical Maintenance

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

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

The School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

n) Financial Instruments

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

The School's financial liabilities comprise accounts payable and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

o) 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.

p) Budget Figures

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

q) 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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	207,772	184,472	230,952
Teachers' Salaries Grants	349,810	-	369,472
	<u>557,582</u>	<u>184,472</u>	<u>600,424</u>

The school has opted in to the donations scheme for this year. Total amount received was \$9,401.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	3,955	-	5,805
Curriculum related Activities - Purchase of goods and services	2,402	-	1,630
Fees for Extra Curricular Activities	3,520	-	2,347
Trading	476	-	108
Fundraising & Community Grants	-	-	580
Other Revenue	-	-	348
	<u>10,353</u>	<u>-</u>	<u>10,818</u>
Expense			
Extra Curricular Activities Costs	5,970	2,800	5,709
Trading	12,146	6,500	3,847
Fundraising and Community Grant Costs	1,075	-	533
	<u>19,191</u>	<u>9,300</u>	<u>10,089</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>(8,838)</u>	<u>(9,300)</u>	<u>729</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	14,893	26,596	14,339
Equipment Repairs	170	-	-
Library Resources	510	-	168
Employee Benefits - Salaries	367,537	40,319	439,196
Staff Development	4,174	9,500	4,646
Depreciation	17,492	56,934	13,300
	<u>404,776</u>	<u>133,349</u>	<u>471,649</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	4,719	5,000	4,568
Board Fees	3,130	5,700	4,250
Board Expenses	180	-	627
Communication	1,931	2,400	2,189
Consumables	4,759	8,000	1,492
Operating Leases	157	1,200	139
Other	10,227	4,702	8,498
Employee Benefits - Salaries	29,848	29,000	31,542
Insurance	2,912	3,000	2,846
Service Providers, Contractors and Consultancy	7,374	6,400	6,318
	<u>65,237</u>	<u>65,402</u>	<u>62,469</u>

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	2,854	1,396	1,845
Cyclical Maintenance	5,670	-	2,615
Grounds	1,902	3,000	8,076
Heat, Light and Water	7,910	10,500	7,846
Rates	2,365	2,748	2,365
Repairs and Maintenance	2,034	8,049	3,605
Use of Land and Buildings	65,250	-	65,250
Security	726	996	527
Employee Benefits - Salaries	12,384	14,508	11,706
	<u>101,095</u>	<u>41,197</u>	<u>103,835</u>

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

7. Other Expense

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Loss on Uncollectable Accounts Receivable	13	-	205
	<u>13</u>	<u>-</u>	<u>205</u>

8. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	86,638	113,889	174,449
Cash and cash equivalents for Statement of Cash Flows	<u>86,638</u>	<u>113,889</u>	<u>174,449</u>

9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	45	521	522
Interest Receivable	4,775	886	886
Banking Staffing Underuse	27,879	-	-
Teacher Salaries Grant Receivable	25,560	37,019	37,019
	<u>58,259</u>	<u>38,426</u>	<u>38,427</u>
Receivables from Exchange Transactions	4,820	1,407	1,408
Receivables from Non-Exchange Transactions	53,439	37,019	37,019
	<u>58,259</u>	<u>38,426</u>	<u>38,427</u>

10. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	136,946	59,561	59,561
Total Investments	<u>136,946</u>	<u>59,561</u>	<u>59,561</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023						
Furniture and Equipment	43,119	38,961			(9,355)	72,725
Information and Communication Technology	6,509	4,666			(3,291)	7,884
Leased Assets	5,046	4,898			(3,805)	6,139
Library Resources	8,218	113			(1,041)	7,290
Balance at 31 December 2023	<u>62,892</u>	<u>48,638</u>			<u>(17,492)</u>	<u>94,038</u>

The net carrying value of furniture and equipment held under a finance lease is \$6,139 (2022: \$5,046)

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Furniture and Equipment	148,363	(75,638)	72,725	109,402	(66,283)	43,119
Information and Communication Technology	60,742	(52,858)	7,884	56,076	(49,567)	6,509
Leased Assets	32,024	(25,885)	6,139	27,126	(22,080)	5,046
Library Resources	23,508	(16,218)	7,290	23,394	(15,176)	8,218
Balance at 31 December 2023	<u>264,637</u>	<u>(170,599)</u>	<u>94,038</u>	<u>215,998</u>	<u>(153,106)</u>	<u>62,892</u>

12. Accounts Payable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Creditors	3,355	4,183	4,183
Accruals	8,430	8,128	8,128
Employee Entitlements - Salaries	25,560	37,019	37,019
Employee Entitlements - Leave Accrual	1,157	1,263	1,263
	<u>38,502</u>	<u>50,593</u>	<u>50,593</u>
Payables for Exchange Transactions	38,502	50,593	50,593
	<u>38,502</u>	<u>50,593</u>	<u>50,593</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	9,095	9,095	6,480
Increase to the Provision During the Year	2,862	-	2,615
Use of the Provision During the Year	(6,759)	-	-
Other Adjustments	2,808	-	-
Provision at the End of the Year	<u>8,006</u>	<u>9,095</u>	<u>9,095</u>
Cyclical Maintenance - Current	848	5,749	5,749
Cyclical Maintenance - Non current	7,158	3,346	3,346
	<u>8,006</u>	<u>9,095</u>	<u>9,095</u>

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan.

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:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	2,986	6,536	6,536
Later than One Year and no Later than Five Years	4,034	2,238	2,238
Future Finance Charges	(729)	(1,615)	(1,615)
	<u>6,291</u>	<u>7,159</u>	<u>7,159</u>
Represented by			
Finance lease liability - Current	2,530	5,121	5,121
Finance lease liability - Non current	3,761	2,038	2,038
	<u>6,291</u>	<u>7,159</u>	<u>7,159</u>

15. 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 (Catholic Diocese of Dunedin) is a related party of the School Board because the proprietor appoints representatives to the School Board, giving the proprietor significant influence over the School Board. Any services or contributions between the School 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 school paid diocese on behalf of students of \$1,335.

The Proprietor provides land and buildings free of charge for use by the School Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

Glenn May is a Board member and a Shareholder and Director of Southern Plumbing Limited. During the year the School contracted Southern Plumbing Limited to undertake plumbing repair work at the school. The total value of all transactions for the year was \$1,066 (2022: \$3,006) and no amount is outstanding as at balance date (Prior Period: nil). Because this amount is less than \$25,000 (incl GST) for the, year, the contract does not require Ministry approval under s10 of Schedule 23 of the Education and Training Act 2020.

16. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,130	4,250
<i>Leadership Team</i>		
Remuneration	227,346	355,286
Full-time equivalent members	2	4
Total key management personnel remuneration	230,476	359,536

There are 6 members of the Board excluding the Principal. The Board has held 8 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:

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	0.00	0.00
110 - 120	0.00	0.00
	0.00	0.00

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

17. Compensation and Other Benefits Upon Leaving

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

	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: nil).

Holidays Act Compliance – Schools Payroll

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

The Ministry continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

19. Commitments

(a) Capital Commitments

At 31 December 2023, the Board has not entered into any contract agreements for capital works. (Capital commitments at 31 December 2022 \$nil).

(b) Operating Commitments

As at 31 December 2023, the Board has entered into the following contracts:

(a) operating lease of service component of the photocopier;

	2023 Actual \$	2022 Actual \$
No later than One Year	-	1,227
	-	1,227

The total lease payments incurred during the period were \$6,146 (2022: \$8,195).

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	86,638	113,889	174,449
Receivables	58,259	38,426	38,427
Investments - Term Deposits	136,946	59,561	59,561
Total financial assets measured at amortised cost	<u>281,843</u>	<u>211,876</u>	<u>272,437</u>

Financial liabilities measured at amortised cost

Payables	38,502	50,593	50,593
Finance Leases	6,291	7,159	7,159
Total financial liabilities measured at amortised cost	<u>44,793</u>	<u>57,752</u>	<u>57,752</u>

21. Events After Balance Date

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST JOSEPH'S SCHOOL (BALCLUTHA)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of St Joseph's School (Balclutha) (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 16, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; 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 1 June 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. 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

The Board is responsible for the other information. The other information obtained at the date of our report is the Statement of Responsibility, Members of the Board, Statement of Variance and Statement of Kiwisport funding, 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 (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.



Aaron Higham
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand