



Finlayson Park School

Annual Report for the year ended 31 December 2018

Ministry Number:	1275
Principal:	Shirley Maihi
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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF FINLAYSON PARK SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Finlayson Park School (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte 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 18 that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 30 May 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

The Board of Trustees' responsibilities 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 including List of Trustees, Statement of Responsibility, Analysis of Variance Report and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (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.

A handwritten signature in black ink, appearing to read "M. Youngson", with a long horizontal flourish extending to the right.

Melissa Youngson
for Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand

Finlayson Park School
Statement of Responsibility
For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Gaylene Ball
Full Name of Board Chairperson
[Signature]
Signature of Board Chairperson
30/05/19
Date:

Shirley Maahi
Full Name of Principal
[Signature]
Signature of Principal
30/05/19
Date:

Finlayson Park School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	8,445,509	7,385,787	8,422,471
Locally Raised Funds	3	848,087	620,114	715,237
Interest Earned		43,146	45,500	61,024
		<u>9,336,742</u>	<u>8,051,401</u>	<u>9,198,732</u>
Expenses				
Locally Raised Funds	3	523,315	372,250	411,402
Learning Resources	4	6,271,227	5,786,239	6,210,641
Administration	5	366,053	389,609	419,331
Finance Costs		306	-	100
Property	6	1,487,492	1,125,107	1,617,829
Depreciation	7	424,234	374,500	374,387
Loss on Disposal of Property, Plant and Equipment		2,355	500	854
		<u>9,074,982</u>	<u>8,048,205</u>	<u>9,034,544</u>
Net Surplus / (Deficit) for the year		261,760	3,196	164,188
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>261,760</u>	<u>3,196</u>	<u>164,188</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Finlayson Park School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Balance at 1 January	6,783,204	6,783,204	6,619,016
Total comprehensive revenue and expense for the year	261,760	3,196	164,188
Equity at 31 December	7,044,964	6,786,400	6,783,204
Retained Earnings	7,044,964	6,786,400	6,783,204
Equity at 31 December	7,044,964	6,786,400	6,783,204

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Finlayson Park School

Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		2,853,156	2,715,787	2,782,496
Locally Raised Funds		879,444	597,614	700,804
Goods and Services Tax (net)		48,045	500	(1,274)
Payments to Employees		(1,897,454)	(1,856,727)	(1,814,509)
Payments to Suppliers		(1,223,752)	(1,125,157)	(1,208,878)
Cyclical Maintenance Payments in the year		(20,349)	-	(30,014)
Interest Paid		(306)	-	(100)
Interest Received		45,441	53,600	67,990
Net cash from / (to) the Operating Activities		684,225	385,617	496,515
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	(20,310)	869
Purchase of PPE (and Intangibles)		(397,749)	(971,950)	(1,185,081)
Purchase of Investments		-	-	825,062
Proceeds from Sale of Investments		468,844	804,000	-
Net cash from / (to) the Investing Activities		71,095	(188,260)	(359,150)
Cash flows from Financing Activities				
Finance Lease Payments		(1,021)	(493)	(454)
Funds Held for Capital Works Projects		(297,644)	(133,000)	-
Net cash from / (to) Financing Activities		(298,665)	(133,493)	(454)
Net increase/(decrease) in cash and cash equivalents		456,655	63,864	136,911
Cash and cash equivalents at the beginning of the year	8	254,631	226,587	117,720
Cash and cash equivalents at the end of the year	8	711,286	290,451	254,631

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.