

# **BROOKLYN SCHOOL**

## **ANNUAL REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **School Directory**

**Ministry Number: 3185**

Address: Umukuri Road RD3  
Motueka 7198

Phone: (03) 528 9330

#### **Members of the Board of Trustees**

<b>Name</b>	<b>Position</b>	<b>Term expired</b>
Vicki Walker	Chairperson	
Chris Kemp	Principal	
Michelle McGlashen	Parent rep	
Melanie Newall	Parent rep	
Ruth Buchanan	Parent rep	
Sandra Fry	Parent rep	
Maria Ansell-Burnett	Staff rep	
Andrew Claringbold	Parent rep	May 2019
Michelle Johnstone	Parent rep	May 2019
Jo Sturgeon	Parent rep	May 2019
Shena Wallace	Parent rep	May 2019
Blair Chapman	Parent rep	May 2019

89 Nazareth Avenue  
Christchurch  
Ph: 03 338 4444



# BROOKLYN SCHOOL

Annual Report - For the year ended 31 December 2019

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## Brooklyn 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 reflects the financial position and operations of the school.

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

Vicki Walker  
Full Name of Board Chairperson

Vicki Walker  
Signature of Board Chairperson

28/5/20  
Date:

Christopher Kemp  
Full Name of Principal

[Signature]  
Signature of Principal

28/5/20  
Date:

**Brooklyn School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	1,160,211	1,153,005	1,094,804
Locally Raised Funds	3	77,371	48,380	73,225
Interest Received		96	900	50
Gain on Sale of Property, Plant and Equipment		-	-	-
		<u>1,237,677</u>	<u>1,202,285</u>	<u>1,168,078</u>
<b>Expenses</b>				
Locally Raised Funds	3	50,579	18,600	40,134
Learning Resources	4	770,763	713,677	678,863
Administration	5	121,046	109,544	110,232
Finance Costs		121	-	221
Property	6	313,750	320,421	304,748
Depreciation	7	30,354	2,000	32,504
Loss on Disposal of Property, Plant and Equipment		-	-	-
		<u>1,286,613</u>	<u>1,164,242</u>	<u>1,166,701</u>
<b>Net Surplus / (Deficit)</b>		<b>(48,936)</b>	<b>38,043</b>	<b>1,378</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>(48,936)</b></u>	<u><b>38,043</b></u>	<u><b>1,378</b></u>

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

**Brooklyn School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>	<b>245,582</b>	<b>245,582</b>	<b>238,905</b>
Total comprehensive revenue and expense for the year	(48,936)	38,043	1,378
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	5,299
<b>Equity at 31 December</b>	<b>196,646</b>	<b>283,625</b>	<b>245,582</b>
Retained Earnings Reserves	196,646	283,625	245,582
<b>Equity at 31 December</b>	<b>196,646</b>	<b>283,625</b>	<b>245,582</b>

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

**Brooklyn School**  
**Statement of Financial Position**  
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	33,931	91,125	69,473
Accounts Receivable	9	42,913	40,000	38,753
GST Receivable		1,817	-	-
Prepayments		-	-	-
Funds Owing for Capital Works Projects	15	13,821	-	-
		<u>92,482</u>	<u>131,125</u>	<u>108,226</u>
<b>Current Liabilities</b>				
GST Payable		-	2,000	2,078
Accounts Payable	11	71,379	40,000	56,205
Revenue Received in Advance	12	-	-	-
Provision for Cyclical Maintenance	13	29,603	52,000	28,312
Finance Lease Liability - Current Portion	14	622	2,000	1,293
		<u>101,604</u>	<u>96,000</u>	<u>87,887</u>
<b>Working Capital Surplus/(Deficit)</b>		(9,122)	35,125	20,339
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	222,731	248,500	248,756
		<u>222,731</u>	<u>248,500</u>	<u>248,756</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	16,963	-	23,012
Finance Lease Liability	14	-	-	501
		<u>16,963</u>	<u>-</u>	<u>23,513</u>
<b>Net Assets</b>		<u>196,646</u>	<u>283,625</u>	<u>245,582</u>
<b>Equity</b>		<u>196,646</u>	<u>283,625</u>	<u>245,582</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**Brooklyn School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		299,546	292,405	302,879
Locally Raised Funds		77,371	48,380	73,225
Goods and Services Tax (net)		(3,894)	(5,000)	(4,900)
Payments to Employees		(190,004)	(130,824)	(171,521)
Payments to Suppliers		(199,214)	(212,909)	(170,650)
Interest Paid		(121)	-	(221)
Interest Received		96	900	50
Net cash from / (to) the Operating Activities		(16,220)	(7,048)	28,860
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(0)	15,500	(0)
Purchase of PPE (and Intangibles)		(4,328)	13,500	(901)
Net cash from / (to) the Investing Activities		(4,329)	29,000	(902)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	5,299
Finance Lease Payments		(1,172)	(300)	(1,072)
Funds Administered on Behalf of Third Parties		(13,821)	-	-
Net cash from Financing Activities		(14,993)	(300)	4,227
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(35,542)</b>	<b>21,652</b>	<b>32,186</b>
Cash and cash equivalents at the beginning of the year	8	69,473	69,473	37,287
Cash and cash equivalents at the end of the year	8	33,931	91,125	69,473

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.

# Brooklyn School

## Notes to the Financial Statements

### 1 Statement of Accounting Policies

For the year ended 31 December 2019

#### **a) Reporting Entity**

Brooklyn 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.

#### **b) 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 24.

##### **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.

##### **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. 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.

**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.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are 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 Crown.

**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.

**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.

**d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

**e) 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.

**f) 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.

**g) 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.

**h) 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.

#### **i) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. 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.

#### **j) 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 not trivial.

#### **Prior Year Policy**

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

#### **k) Property, Plant and Equipment**

Land and buildings owned by the Crown 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 Crown 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 \$1,000 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	10–40 years
Furniture and equipment	10–10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	per terms of lease
Library resources	12.5% Diminishing value

**l) 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.

The reversal of an impairment loss is recognised in the surplus or deficit.

**m) 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.

**n) Employee 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.

*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

**o) Revenue Received in Advance**

Revenue received in advance relates to fees received from students 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.

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

**q) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

**r) 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.

The School's financial liabilities comprise accounts payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**s) 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.

**t) Budget Figures**

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

**u) 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	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	226,801	227,147	204,014
Teachers' salaries grants	620,224	620,200	553,171
Use of Land and Buildings grants	240,440	240,400	238,754
Other MoE Grants	26,023	25,000	50,741
Transport grants	46,722	40,258	48,124
	<b>1,160,211</b>	<b>1,153,005</b>	<b>1,094,804</b>

## 3 Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	12,299	10,500	10,540
Fundraising	718	18,000	2,616
Trading	9,341	5,500	7,787
Activities	55,013	14,380	52,282
	<b>77,371</b>	<b>48,380</b>	<b>73,225</b>
<b>Expenses</b>			
Activities	45,379	11,900	31,818
Trading	4,549	4,100	2,567
Fundraising (costs of raising funds)	650	2,600	5,750
	<b>50,579</b>	<b>18,600</b>	<b>40,134</b>
<i>Surplus for the year Locally raised funds</i>	<b>26,793</b>	<b>29,780</b>	<b>33,091</b>

## 4 Learning Resources

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Library resources	(0)	3,200	178
Employee benefits - salaries	731,785	662,200	651,215
Resource/attached teacher costs	33,509	37,777	20,867
Staff development	5,469	10,500	6,604
	<b>770,763</b>	<b>713,677</b>	<b>678,863</b>

## 5 Administration

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	3,529	2,700	3,364
Board of Trustees Fees	4,981	4,500	4,421
Board of Trustees Expenses	5,973	3,730	5,924
Communication	6,078	4,790	4,217
Consumables	11,285	9,850	11,341
Operating Lease	3,225	2,000	947
Other	29,743	33,350	25,043
Employee Benefits - Salaries	56,233	48,624	54,975
	<b>121,046</b>	<b>109,544</b>	<b>110,232</b>

## 6 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,168	1,200	2,093
Cyclical Maintenance Provision	(4,683)	3,000	5,539
Grounds	7,238	7,300	5,400
Heat, Light and Water	16,572	16,000	18,328
Repairs and Maintenance	27,086	23,321	16,642
Use of Land and Buildings - Non Integrated	240,440	240,400	238,754
Employee Benefits - Salaries	24,929	29,200	17,992
	<u>313,750</u>	<u>320,421</u>	<u>304,748</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7 Depreciation of Property, Plant and Equipment

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	7,097	500	6,972
Furniture and Equipment	4,117	500	3,966
Info and Comm Technology	1,946	500	3,810
Motor Vehicles	15,448	500	15,935
Leased Assets	1,122	-	1,122
Library Resources	624	-	699
	<u>30,354</u>	<u>2,000</u>	<u>32,504</u>

## 8 Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	-	-	-
Bank Current Account	33,931	91,125	69,473
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>33,931</u>	<u>91,125</u>	<u>69,473</u>

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

## 9 Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	-	-
Teacher Salaries Grant Receivable	42,913	40,000	38,753
	<u>42,913</u>	<u>40,000</u>	<u>38,753</u>
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	42,913	40,000	38,753
	<u>42,913</u>	<u>40,000</u>	<u>38,753</u>

**10 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	183,069	1,505			(7,097)	177,478
Furniture and Equipment	11,691	2,726			(4,117)	10,300
Info and Comm Technology	4,981				(1,946)	3,035
Motor Vehicles	42,346				(15,448)	26,899
Leased Assets	1,778				(1,122)	655
Library Resources	4,892	97			(624)	4,365
<b>Balance at 31 December 2019</b>	<b>248,757</b>	<b>4,328</b>	<b>-</b>	<b>-</b>	<b>(30,354)</b>	<b>222,731</b>

**Accumulated Depreciation**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	274,543	(97,065)	177,478
Furniture and Equipment	148,758	(138,458)	10,300
Info and Comm Technology	121,759	(118,724)	3,035
Motor Vehicles	88,989	(62,090)	26,899
Leased Assets	3,367	(2,712)	655
Library Resources	56,492	(52,127)	4,365
<b>Balance at 31 December 2019</b>	<b>693,908</b>	<b>(471,176)</b>	<b>222,731</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	190,041				(6,972)	183,069
Furniture and Equipment	15,689	(32)			(3,966)	11,691
Info and Comm Technology	8,796	(5)			(3,810)	4,981
Motor Vehicles	58,281				(15,935)	42,346
Leased Assets	2,900				(1,122)	1,778
Library Resources	4,651	940			(699)	4,892
<b>Balance at 31 December 2018</b>	<b>280,359</b>	<b>903</b>	<b>-</b>	<b>-</b>	<b>(32,504)</b>	<b>248,758</b>

**Accumulated Depreciation**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	273,038	(89,969)	183,069
Furniture and Equipment	146,031	(134,341)	11,691
Info and Comm Technology	121,759	(116,778)	4,981
Motor Vehicles	88,989	(46,643)	42,346
Leased Assets	3,367	(1,590)	1,778
Library Resources	56,395	(51,503)	4,892
<b>Balance at 31 December 2018</b>	<b>689,579</b>	<b>(440,822)</b>	<b>248,756</b>

**11 Accounts Payable**

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating creditors	18,645	5,000	11,666
Accruals	5,329	-	4,014
Employee Entitlements - salaries	42,913	35,000	38,753
Employee Entitlements - leave accrual	4,492	-	1,772
	<b>71,379</b>	<b>40,000</b>	<b>56,205</b>
Payables for Exchange Transactions	71,379	40,000	56,205
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>71,379</b>	<b>40,000</b>	<b>56,205</b>

The carrying value of payables approximates their fair value.

## 12 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	-	-	-

## 13 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	51,324	51,324	51,400
Increase to the Provision During the Year		676	-
Adjustment to the Provision	(4,758)	-	(76)
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	46,566	52,000	51,324
Cyclical Maintenance - Current	29,603	52,000	28,312
Cyclical Maintenance - Term	16,963	-	23,012
	46,566	52,000	51,324

## 14 Finance Lease Liability

The School has entered into a number of finance lease agreements for computers. Minimum lease payments payable:

	2019 Actual \$	2019 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	622	2,000	1,293
Later than One Year and no Later than Five Years	-	-	501
Later than Five Years	-	-	-
	622	2,000	1,794

## 15 Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2019	Opening Balances \$	Receipts \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
MOE New Classroom	<i>in progress</i>	-	379,157	(392,978)	-	(13,821)
Totals		-	379,157	(392,978)	-	(13,821)

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

	2018	Opening Balances \$	Receipts \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Flood Damage	<i>completed</i>	-	87,702	(87,702)	-	-
Totals		-	87,702	(87,702)	-	-



## 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.

## 17 Remuneration

### *Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,981	4,421
Full-time equivalent members	0.12	0.12
<i>Leadership Team</i>		
Remuneration	216,889	198,659
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	221,870	203,080
Total full-time equivalent personnel	2.12	2.12

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	110-120	100-110
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

### *Other Employees*

No other employee received remuneration greater than \$100,000 during 2019 (2018 : nil).

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 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, however the potential impact on any specific school or individual and any associated historical liability 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 entered into a contract agreements for capital works for the upgrade of classrooms. This project has been approved by the Ministry. As at 31 December, \$379,157 has been received with \$392,978 spent. This left a balance owing from the Ministry of \$13,821.

(Capital 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	33,931	91,125	69,473
Receivables	42,913	40,000	38,753
Total Cash and Receivables	<u>76,844</u>	<u>131,125</u>	<u>108,226</u>

### Financial liabilities measured at amortised cost

Payables	71,379	40,000	56,205
Finance Leases	622	2,000	1,794
Total Financial Liabilities Measured at Amortised Cost	<u>72,001</u>	<u>42,000</u>	<u>57,998</u>

## 23 Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 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.

## 24 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:

- Note 9 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.

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

# Analysis of Variance Reporting



School Name: <b>Brooklyn</b>		School Number: <b>3185</b>
<b>Strategic Aim:</b>	To continue to focus upon improving school-wide achievement in the areas of Literacy and Numeracy. With an emphasis upon recognizing Priority Learners in Reading across the school and accelerating these students through effective Inquiry processes. These goals are aligned with Kahui AKO and remain focus areas within on-going school-wide inquiries.	
<b>Annual Aim:</b>	Through a process of self-review, identify and address the needs of cohorts of learners by way of utilizing effective Teaching as Inquiry processes in relation to Numeracy and Literacy. Aiming to increase the number of students achieving within or above their appropriate curriculum levels.	
<b>Target:</b>	<p><b>Target 1:</b> Writing - Developing and sustaining 'Literacy Learning Pathways' to provide robust and sustainable literacy achievement at all levels.</p> <p><b>Target 2:</b> Mathematics - To continue to provide streamline / needs based mathematical enquiry within rich programmes.</p>	
<b>Baseline Data:</b>	<p>Writing:</p> <p>2019 - All students: 105</p> <p>Total At, or Above Curriculum level 82%</p> <p>Below Curriculum level: 18%</p> <p>Male students: Below CL 30% - At or Above CL 70%: - Total students 60</p> <p>Female students: Below CL 5% - At or Above CL 95 % - Total students 45</p> <p>Maori students: Below CL 19% - AT or Above CL 81 % - Total students 21</p> <p>Maths:</p> <p>2019- All students: 106</p> <p>Total students At, or Above CL: 85 %</p> <p>Male students: Below CL: 16% - At, or Above CL 84 %</p> <p>Female students: Below CL: 13% - At, or Above CL 87 %</p> <p>Maori students: Below CL: 30% - At, or Above CL 70 %</p>	



<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p><b>Mathematics:</b></p> <ul style="list-style-type: none"> <li>Scaffolding of Mathematics strategies and techniques.</li> <li>2. Teachers employing fun and engaging ways of exploring Mathematics with their students.</li> <li>3. School-wide professional development to enable all of the above. Seeking assistance from Mathematics specialists.</li> <li>4. Looking at examples of 'Best Practice'</li> <li>5. Encouraging parent involvement.</li> <li>6. Facilitating school-wide Math challenges.</li> <li>7. Including as a component of 'Individual Teacher Inquiry' - a variety of Teaching approaches employed.</li> <li>8. Networking. PLGs – Kahui AKO</li> </ul> <p><b>We have prioritized the need to focus closely on the learning needs of Maori, Pasifika and Special Needs Learners.</b></p>	<p>2019 saw an outcome of 82% of students working At, or Above Curriculum Level in mathematics. This result was based on students in total.</p> <p>70% At / Above for Maori.</p>	<p>We identified emerging needs within specific cohort areas.</p> <p>We have continued to promote and provide opportunities for students to extend their mathematics capabilities through problem challenge and extension activities.</p> <p>We have looked to utilise the PACT tool to further analyse our Priority learners as we continue to track these students throughout the various learning journeys.</p>	<p>We continue to focus upon school-wide practises in Numeracy. Looking at increased PLD opportunities for staff in order to further develop effective Inquiry processes.</p> <p>Further assessment and resource analysis is also to be undertaken throughout 2020 as part of a 'Whole School Review'. A further focus on sourcing relevant PLD opportunities as they arise to grow teaching capacity.</p> <p>The Brooklyn staff have engaged with the MOE DMIC PLD opportunity and this will build upon an initial exposure and investigation into this initiative.</p> <p>The work undertaken around 'Relationship Based Learning – RBL', supported by the development on Impact Coaching has been a further strategy in working towards our Strategic Aims, in particular – the continued gathering of 'Student Voice' in relation to their own learning journeys and next steps.</p>

**Writing:**

1. Targeted support TA and specialist teaching support according to individual's needs.
  2. Implement Parent Information Programmes.
  3. Continue to employ a variety of effective assessment tools with which to inform Teacher Inquiry, with a strong focus on collaborative Moderation and Assessment practices.
- We have prioritized the need to focus closely on the learning needs of Maori, Pasifika and Special Needs Learners.**

\*Staff undertook PLD in writing to support Identification of Priority Learners and to inform Inquiry processes. Effective use of assessment practices was also a focus area and use of LLP's This Inquiry is on-going throughout 2020.

2019 saw an outcome of 82% of students working At, or Above Curriculum Level in Literacy. This result was based on students in total.  
81% At / Above for Maori.

As a school, we will continue to focus further upon Writing with an emphasis on Maori / Pasifika and identified priority cohorts, particularly in the Year 5-8 Boys, supporting the needs of our learners throughout 2020. Staff will continue the analysis and implementation of 2020 PLD targets, aiming to increase collaborative planning and assessment practices and Inquiry processes.

There is a strong research basis through Dr Russel Bishop's work (Culture Counts) that identifies the significant link between pedagogies promoted through the RBL Profiles and increased student achievement, but these are less visible over the timeframe of our involvement so far.

#### Planning for next year:

2020 will see staff continue to focus on the following areas for the above next steps:

- On-going PLD – involvement in potential collective CoL PLD opportunities. DMIC PLD - MOE
- Effective use of resourcing
- On-going review of procedures and practices in relation to Literacy and Numeracy
- Continuing to develop and refine effective assessment and reporting practices.
- Co-construction / RBL profile: Kahui Ako
- Further imbedding of the 'Impact Coaching' tool amongst staff so as to further grow into areas of Effective Teaching, Transition Processes and Localised Curriculum.

## **Kiwi Sport Statement: 2020**

Kiwi sport Funding at Brooklyn School \$1385.00 has been directed at supporting the following areas throughout 2019:

1. To support our student's involvement in the 'Swim for Life Programme – Years 0-8.
2. To support our student's involvement in local sporting initiatives.

Chris Kemp – Principal  
12/2/20



**INDEPENDENT AUDIT REPORT TO THE READERS OF  
BROOKLYN PRIMARY SCHOOL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Brooklyn Primary School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, 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 18 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 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:
  - financial position as at 31 December 2019; and
  - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 28 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 other matters. 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.

### **Emphasis of Matter - COVID-19**

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 18 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**

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 Analysis of Variance, Kiwisport notice and Board of Trustees listing, but does not include the financial statements, and our auditor's report thereon.

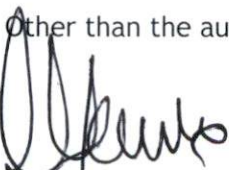
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

### Independence

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

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



**Warren Johnstone**  
BDO Christchurch

On behalf of the Auditor-General  
Christchurch, New Zealand