

# Ferguson Intermediate School

## Annual Report

For the year ended 31 December 2018

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**Ferguson Intermediate 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.

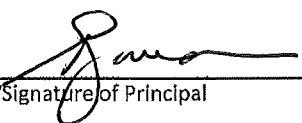
The School's 2018 financial statements are authorised for issue by the Board.

CHRISTOPHER ROY SANDERS  
Full Name of Limited Statutory Manager

  
Signature of Limited Statutory Manager

31/05/19.  
Date:

SATHASIVAN GOVENDER (RONNIE)  
Full Name of Principal

  
Signature of Principal

31 / 05 / 19  
Date:

Ferguson Intermediate School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>				
Government Grants	2	3,823,875	3,268,304	3,666,020
Locally Raised Funds	3	149,464	92,950	77,779
Interest Earned		18,517	15,000	17,763
		<u>3,991,856</u>	<u>3,376,254</u>	<u>3,761,562</u>
<b>Expenses</b>				
Locally Raised Funds	3	88,712	61,000	84,471
Learning Resources	4	2,223,369	1,992,968	1,976,828
Administration	5	312,586	332,000	286,990
Finance Costs		3,838	-	2,796
Property	6	1,224,745	844,813	1,198,420
Depreciation	7	189,346	145,000	144,576
Loss on Disposal of Property, Plant and Equipment		4,484	-	185
		<u>4,047,080</u>	<u>3,375,781</u>	<u>3,694,266</u>
<b>Net Surplus / (Deficit) for the year</b>		(55,224)	473	67,296
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(55,224)</u>	<u>473</u>	<u>67,296</u>

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

**Ferguson Intermediate 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	<u>1,235,129</u>	<u>1,208,927</u>	<u>1,143,572</u>
Total comprehensive revenue and expense for the year	(55,224)	473	67,296
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	24,261
Equity at 31 December	<u>1,179,905</u>	<u>1,209,400</u>	<u>1,235,129</u>
Retained Earnings	1,179,905	1,209,400	1,235,129
Equity at 31 December	<u>1,179,905</u>	<u>1,209,400</u>	<u>1,235,129</u>

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

Ferguson Intermediate School  
**Statement of Financial Position**

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	121,905	400,400	406,138
Accounts Receivable	9	156,719	151,500	149,799
GST Receivable		-	27,000	27,459
Prepayments		-	27,000	27,738
Inventories	10	26,853	18,300	18,635
Investments	11	542,223	320,000	318,465
		<u>847,700</u>	<u>944,200</u>	<u>948,234</u>
<b>Current Liabilities</b>				
GST Payable		20,473	-	-
Accounts Payable	13	211,505	229,500	230,472
Provision for Cyclical Maintenance	14	59,355	48,000	48,564
Finance Lease Liability - Current Portion	15	16,854	7,800	7,847
Funds Held for Capital Works Projects	16	270,063	177,500	153,948
		<u>578,250</u>	<u>462,800</u>	<u>440,831</u>
<b>Working Capital Surplus/(Deficit)</b>		269,450	481,400	507,403
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	977,802	785,000	785,030
		<u>977,802</u>	<u>785,000</u>	<u>785,030</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	17,590	37,000	37,202
Finance Lease Liability	15	49,757	20,000	20,102
		<u>67,347</u>	<u>57,000</u>	<u>57,304</u>
<b>Net Assets</b>		<u>1,179,905</u>	<u>1,209,400</u>	<u>1,235,129</u>
<b>Equity</b>		<u>1,179,905</u>	<u>1,209,400</u>	<u>1,235,129</u>

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

**Ferguson Intermediate School**  
**Statement of Cash Flows**

For the year ended 31 December 2018

	2018	2018	2017
Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	1,149,843	1,077,236	1,076,552
Locally Raised Funds	149,464	92,950	78,297
Goods and Services Tax (net)	47,932	(9,000)	(3,472)
Payments to Employees	(484,910)	(389,300)	(400,395)
Payments to Suppliers	(682,531)	(678,733)	(589,663)
Interest Paid	(3,838)	-	(2,796)
Interest Received	17,320	17,800	20,388
Net cash from / (to) the Operating Activities	193,280	110,953	178,911
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of PPE (and Intangibles)	(4,484)	-	(185)
Purchase of PPE (and Intangibles)	(354,762)	(268,909)	(323,930)
Purchase of Investments	(223,758)	(61,559)	104,908
Net cash from / (to) the Investing Activities	(583,004)	(330,468)	(219,207)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	24,261
Finance Lease Payments	(10,624)	12,800	(7,250)
Funds Held for Capital Works Projects	116,115	147,500	163,565
Net cash from / (to) Financing Activities	105,491	160,300	180,576
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(284,233)</b>	<b>(59,215)</b>	<b>140,280</b>
Cash and cash equivalents at the beginning of the year	8 406,138	459,615	265,858
Cash and cash equivalents at the end of the year	8 121,905	400,400	406,138

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.

## Ferguson Intermediate School

# Notes to the Financial Statements

For the year ended 31 December 2018

### 1. Statement of Accounting Policies

#### Reporting Entity

Ferguson Intermediate 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.

#### Basis of Preparation

##### *Reporting Period*

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 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".

##### *PBE Accounting Standards Reduced Disclosure Regime*

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

##### *Measurement Base*

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### *Presentation Currency*

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

##### *Specific Accounting Policies*

The accounting policies used in the preparation of these financial statements are set out below.

##### *Critical Accounting Estimates And Assumptions*

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

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

##### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

## Ferguson Intermediate School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### *Critical Judgements in applying accounting policies*

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

#### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

#### *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.

### **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.

#### **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.

#### **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.

#### **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.



## Ferguson Intermediate School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### 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.

### Accounts Receivable

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.

### 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.

### Investments

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 Schedule 6 Paragraph 28 of the Education Act 1989 in relation to the acquisition of investment securities.

### 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 \$250 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

## Ferguson Intermediate School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### *Leased Assets*

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

### *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	3-10 years
Information and communication technology	3-10 years
Textbooks	5-10 years
Library resources	12.5% Diminishing value

### **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 are 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.

### **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.

### **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. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

## Ferguson Intermediate School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### *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.

### **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).

### **Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### **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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **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.

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**2 Government Grants**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	1,074,526	1,035,536	1,001,273
Teachers' salaries grants	1,775,280	1,652,768	1,672,148
Use of Land and Buildings grants	902,765	500,000	889,577
Other MoE Grants	71,304	80,000	103,022
	<u>3,823,875</u>	<u>3,268,304</u>	<u>3,666,020</u>

**3 Locally Raised Funds**

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>			
Donations	3,568	15,000	3,747
Fundraising	1,269	-	3,857
Trading	63,946	58,000	68,190
Activities	80,681	19,950	1,985
	<u>149,464</u>	<u>92,950</u>	<u>77,779</u>
<b>Expenses</b>			
Activities	15,704	8,000	6,302
Trading	71,791	53,000	76,403
Fundraising costs	1,217	-	1,766
	<u>88,712</u>	<u>61,000</u>	<u>84,471</u>
	<u>60,752</u>	<u>31,950</u>	<u>(6,692)</u>

*Surplus/ (Deficit) for the year Locally Raised Funds*

**4 Learning Resources**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	106,095	85,500	82,886
Equipment repairs	47,228	50,000	38,572
Information and communication technology	9,196	10,200	3,328
Library resources	1,217	3,500	383
Employee benefits - salaries	2,043,631	1,822,768	1,835,902
Staff development	16,002	21,000	15,757
	<u>2,223,369</u>	<u>1,992,968</u>	<u>1,976,828</u>

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**5 Administration**

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	15,300	6,000	5,019
Board of Trustees Fees	3,835	4,000	4,770
Board of Trustees Expenses	76,039	35,000	22,984
Communication	8,409	9,100	8,909
Consumables	20,188	26,000	19,903
Other	15,625	14,100	5,616
Employee Benefits - Salaries	159,855	169,800	169,325
Insurance	4,227	6,000	4,163
Service Providers, Contractors and Consultancy	9,108	62,000	46,301
	<u>312,586</u>	<u>332,000</u>	<u>286,990</u>

**6 Property**

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	19,917	20,000	20,547
Consultancy and Contract Services	80,315	115,500	93,612
Cyclical Maintenance Expense	29,927	47,163	8,251
Grounds	19,570	17,150	17,476
Heat, Light and Water	39,476	44,000	43,497
Repairs and Maintenance	43,835	51,000	42,827
Use of Land and Buildings	902,765	500,000	889,577
Security	26,290	-	24,125
Employee Benefits - Salaries	62,650	50,000	58,508
	<u>1,224,745</u>	<u>844,813</u>	<u>1,198,420</u>

The use of land and buildings figure represents 8% of the school's total property value. 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**

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Furniture and Equipment	100,061	84,000	83,664
Information and Communication Technology	71,810	42,500	42,609
Textbooks	8,785	9,000	8,950
Leased Assets	7,997	8,000	7,997
Library Resources	693	1,500	1,356
	<u>189,346</u>	<u>145,000</u>	<u>144,576</u>

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**8 Cash and Cash Equivalents**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	929	400	366
Bank Current Account	120,821	400,000	405,772
Bank Call Account	155	-	-
Cash and cash equivalents for Cash Flow Statement	<u>121,905</u>	<u>400,400</u>	<u>406,138</u>

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

Of the \$121,905 Cash and Cash Equivalents and \$542,223 on Short Term Deposit (note 11 below), \$270,063 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

**9 Accounts Receivable**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables from the Ministry of Education	32,382	2,300	-
Interest Receivable	2,433	1,200	1,236
Bank Staffing Underuse	-	36,000	36,395
Teacher Salaries Grant Receivable	<u>121,904</u>	<u>112,000</u>	<u>112,168</u>
	<u>156,719</u>	<u>151,500</u>	<u>149,799</u>
Receivables from Exchange Transactions	2,433	1,200	1,236
Receivables from Non-Exchange Transactions	<u>154,286</u>	<u>150,300</u>	<u>148,563</u>
	<u>156,719</u>	<u>151,500</u>	<u>149,799</u>

**10 Inventories**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	3,465	300	310
School Uniforms	<u>23,388</u>	<u>18,000</u>	<u>18,325</u>
	<u>26,853</u>	<u>18,300</u>	<u>18,635</u>

**11 Investments**

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset	542,223	320,000	318,465
Short-term Bank Deposits	<u>542,223</u>	<u>320,000</u>	<u>318,465</u>

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**12 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2018</b>	\$	\$	\$	\$	\$	\$
Furniture and equipment	571,956	135,447	-	-	(100,061)	607,342
Information and communication technology	137,864	201,336	-	-	(71,810)	267,390
Textbooks	39,738	-	-	-	(8,785)	30,953
Leased assets	25,979	49,286	-	-	(7,997)	67,268
Library resources	9,493	533	(4,484)	-	(693)	4,849
<b>Balance at 31 December 2018</b>	<b>785,030</b>	<b>386,602</b>	<b>(4,484)</b>	<b>-</b>	<b>(189,346)</b>	<b>977,802</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2018</b>	\$	\$	\$
Furniture and equipment	1,984,118	(1,376,776)	607,342
Information and communication technology	901,452	(634,062)	267,390
Textbooks	105,439	(74,486)	30,953
Leased assets	89,271	(22,003)	67,268
Library resources	33,806	(28,957)	4,849
<b>Balance at 31 December 2018</b>	<b>3,114,086</b>	<b>(2,136,284)</b>	<b>977,802</b>

The net carrying value of equipment held under a finance lease is \$67,268 (2017: \$25,979).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
<b>2017</b>	\$	\$	\$	\$	\$	\$
Furniture and equipment	411,316	244,304	-	-	(83,664)	571,956
Information and communication technology	79,455	101,018	-	-	(42,609)	137,864
Textbooks	47,964	724	-	-	(8,950)	39,738
Leased assets	33,976	-	-	-	(7,997)	25,979
Library resources	11,035	-	(186)	-	(1,356)	9,493
<b>Balance at 31 December 2017</b>	<b>583,746</b>	<b>346,046</b>	<b>(186)</b>	<b>-</b>	<b>(144,576)</b>	<b>785,030</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2017</b>	\$	\$	\$
Furniture and equipment	1,848,671	(1,276,715)	571,956
Information and communication technology	700,116	(562,252)	137,864
Textbooks	105,439	(65,701)	39,738
Leased assets	39,985	(14,006)	25,979
Library resources	63,064	(53,571)	9,493
<b>Balance at 31 December 2017</b>	<b>2,757,275</b>	<b>(1,972,245)</b>	<b>785,030</b>

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**13 Accounts Payable**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	43,496	55,000	56,696
Accruals	5,500	5,000	5,019
Capital accruals for PPE items	-	22,000	21,930
Employee Entitlements - salaries	123,359	113,500	113,513
Employee Entitlements - leave accrual	39,150	34,000	33,314
	<u>211,505</u>	<u>229,500</u>	<u>230,472</u>
Payables for Exchange Transactions	211,505	229,500	230,472
	<u>211,505</u>	<u>229,500</u>	<u>230,472</u>

The carrying value of payables approximates their fair value.

**14 Provision for Cyclical Maintenance**

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	85,766	85,766	76,418
Increase to the Provision During the Year	29,927	47,163	8,251
Use of the Provision During the Year	(38,748)	(47,929)	1,097
Provision at the End of the Year	<u>76,945</u>	<u>85,000</u>	<u>85,766</u>
Cyclical Maintenance - Current	59,355	48,000	48,564
Cyclical Maintenance - Term	17,590	37,000	37,202
	<u>76,945</u>	<u>85,000</u>	<u>85,766</u>

**15 Finance Lease Liability**

The school has entered into a number of finance lease agreements for Ricoh Copier. Minimum lease payments payable (includes interest portion);

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	22,208	-	10,046
Later than One Year and no Later than Five Years	57,519	-	22,605
	<u>79,727</u>	<u>-</u>	<u>32,651</u>



Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**16 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:

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Block 1 Upgrade	<i>In progress</i>	13,574	25,000	18,363	-	20,211
Block 3 Upgrade	<i>In progress</i>	(23,428)	22,747	(681)	-	-
Carpark	<i>Completed</i>	2,840	-	-	-	2,840
Alarms	<i>In progress</i>	114,125	14,400	7,380	-	121,145
Site Wide Drainage	<i>In progress</i>	-	58,500	-	-	58,500
Roofing	<i>In progress</i>	-	1,500	1,500	-	-
Block 3 ILE	<i>In progress</i>	-	8,135	8,135	-	-
Block 2 ILE	<i>In progress</i>	-	28,000	-	-	28,000
Fencing	<i>In progress</i>	46,837	-	7,470	-	39,367
<b>Totals</b>		<b>153,948</b>	<b>158,282</b>	<b>42,167</b>	<b>-</b>	<b>270,063</b>

Represented by:

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

237,681  
32,382  
270,063

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Block 1 Upgrade	<i>completed</i>	13,574	-	-	-	13,574
Carpark	<i>completed</i>	2,840	-	-	-	2,840
Block 3 Remodel	<i>in progress</i>	(38,642)	15,214	-	-	(23,428)
MOE Fencing	<i>in progress</i>	36,039	83,942	73,144	-	46,837
Alarms	<i>in progress</i>	-	129,145	15,020	-	114,125
<b>Totals</b>		<b>13,811</b>	<b>228,301</b>	<b>88,164</b>	<b>-</b>	<b>153,948</b>

**17 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.

Ferguson Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2018

**18 Remuneration**

*Key management personnel compensation*

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,835	4,770
Full-time equivalent members	0.07	0.03
<i>Leadership Team</i>		
Remuneration	447,113	332,105
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	450,948	336,875
Total full-time equivalent personnel	3.07	3.03

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.

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

	2018 Actual \$000	2017 Actual \$000
<i>Principal A</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	-	-
Termination Benefits	-	-
<i>Principal B</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	50 - 60	-
Benefits and Other Emoluments	-	-
Termination Benefits	-	-
<i>Principal C</i>		
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	-
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

*Other Employees*

No other employee received total remuneration over \$100,000 (2017: Nil).

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

**19 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:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

Ferguson Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### 20 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018.

(Contingent liabilities and assets as at 31 December 2017: 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 2018, a contingent liability for the school may exist.

### 21 Commitments

#### (a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2017: nil)

#### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

- operating lease of a photocopier

	2018 Actual \$	2017 Actual \$
No later than One Year	-	6,754
Later than One Year and No Later than Five Years	-	15,195
	<u>-</u>	<u>21,949</u>

### 22 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.

### 23 Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	121,905	400,400	406,138
Receivables	156,719	151,500	149,799
Investments - Term Deposits	542,223	320,000	318,465
Total Loans and Receivables	<u>820,847</u>	<u>871,900</u>	<u>874,402</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	211,505	229,500	230,472
Finance Leases	66,611	27,800	27,949
Total Financial Liabilities Measured at Amortised Cost	<u>278,116</u>	<u>257,300</u>	<u>258,421</u>

### 24 Events After Balance Date

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

### 25 Comparatives

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