

AVARUA PRIMARY SCHOOL

ANNUAL AUDITED REPORT

FOR THE YEAR ENDED 31/12/2010

AVARUA PRIMARY SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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AVARUA PRIMARY SCHOOL

DIRECTORY

Ministry

Education

Name of Principal

Jack Gelling

Business Address

P.O.Box 410

Avarua

Rarotonga

Cook Islands

Auditor

Ministry of Education

Banker

Westpac Banking Corporation

Solicitor

Crown Law Office

AVARUA PRIMARY SCHOOL

STATEMENT OF RESPONSIBILITY

In terms of Section 30 of the Ministry of Finance and Economic Management Act 1995-96, I am responsible for the preparation of the Avarua Primary School's financial statements and the judgments made in the process of producing those statements.

I have the responsibility of establishing and maintaining internal controls. I have established and maintained a system of internal control procedures that provides reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Avarua Primary School for the year ended 31st December 2010.

Mr Jack Gelling
Principal – Avarua Primary School

25-Aug-11

Date

Avarua Primary School
Income & Expenditure Statement for the year ended 31/12/2010

	<u>Current Year</u> 2010
<u>Income</u>	
Donation	\$ 2,410.00
TuckShop Sales	\$ 97,121.20
Reimbursements	\$ 31,404.28
Parents Day	\$ 2,377.40
Culture	\$ 2,230.00
Fundraising	\$ 51,160.88
Bank Interest	\$ 257.36
Total Income	\$ 186,961.12
<u>Expenditure</u>	
Tuck Shop Stock	\$ 68,800.11
Project	\$ 7,310.32
Maintenance	\$ 20,368.36
Resources	\$ 14,236.42
Library Books	\$ 4,367.07
Parents Day	\$ 3,789.46
ECE Resources	\$ 1,837.10
Fundraising Expenses	\$ 4,722.36
Bank Fee	\$ 389.77
Depreciation	\$ 375.88
Total Expenditure	\$ 126,196.85
Net Surplus / (Deficit)	\$ 60,764.27

Avarua Primary School
Balance Sheet as at 31st December 2010

	Current Year 2010
<u>Current Assets</u>	
WBC Bank Balances	\$ 19,989.83
<i>Total Cash & Equivalents</i>	\$ 19,989.83
<i>Total Current Assets</i>	\$ 19,989.83
<u>Non-Current Assets</u>	
Property, Plant, and Equipment	\$ 59,765.01
<i>Total Non Current Assets</i>	\$ 59,765.01
Total Assets	\$ 79,754.84
<u>Liabilities</u>	
Accounts Payables	\$ -
Total Liabilities	\$ -
NET ASSETS	\$ 79,754.84
<u>Taxpayer Funds</u>	
Opening taxpayers funds	\$ 18,990.57
Net surplus (deficit) for the year	\$ 60,764.27
Total Taxpayer Funds	\$ 79,754.84
Variance	\$ -

Avarua Primary School

Fixed Assets Summary

Fixed Assets 2010

Category	Opening Cost	Additions	Disposals	Closing Cost	Dep Rate	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	-			-		-			-	-
Furniture & Fittings	-			-		-			-	-
Motor Vehicles	-			-		-			-	-
Plant & Equipment	-			-		-			-	-
Buildings - Netball Court	-	60,141		60,141	2.50%	-	376		376	59,765
Infrastructure	-			-		-			-	-
Total Fixed Assets	-	60,141	-	60,141		-	376	-	376	59,765

Avarua Primary School
Bank Reconciliation Summary as at 31/12/2010

General Ledger

Opening Balance	\$ 18,990.57
Add: Cash Receipts	\$ 186,961.12
Less: Cash Payments	\$ 185,961.86

Ledger Balance as at 31/12/2010

\$ 19,989.83

Bank Reconciliation

Credit Balance as per bank statement	\$ 19,989.83
Add: Lodgements not yet credited	\$ -
Add: Outstanding Debits	\$ -
Less: Unpresented Cheques	\$ -
Less: Outstanding Credit	\$ -
Balance as per GL	<u>\$ 19,989.83</u>

AVARUA PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Note 1: Statement of Accounting Policies

Basis of Preparation

(i) Reporting Entity

These financial statements are for Avarua Primary School

(ii) Measurement Base

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

These financial statements have been prepared using the historical cost method to report results and the financial position. The financial statements have been prepared under the cash basis of accounting and are presented in New Zealand dollars.

Significant Accounting Policies

The following accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows have been applied:

(i) Revenue

Avarua Primary School derives revenue from Donation, Tuckshop Sales, Raffle Sales, Fundraising and other Activities to improve the provision of services to the Children in the form of Education. All revenue is recognised when cash is actually received.

(ii) Expenses

Expenses are recognised when paid and are reported in the financial period in which they are paid.

Realised gains or losses arising from sales of assets or the early settlement of a liability are recognised in the Statement of Financial Performance in the period in which the transaction is concluded.

(iii) Plant, Property, and Equipment

Plant, property and equipment are recorded at cost less accumulated depreciation.

The cost of purchased plant, property, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

When an item of plant, property and equipment is disposed, the gain or loss associated with that item will be recognised in the Statement of Financial Performance.

Depreciation of plant, property, and equipment is provided on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Building - Netball Court	40 years
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AVARUA PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

(iv) Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

(v) Financial Instruments

Financial instruments primarily consist of bank balances, receivables and payables. Gains and losses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited Financial Statements

AVARUA PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Note 2:	Cash	
	Bank Balances	\$ 19,989.83
	Total Cash & Cash Equivalent	<u>\$ 19,989.83</u>

Note 3: Fixed Asset

Category	Opening Cost	Additions	Disposals	Closing Cost	Dep Rate	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	-			-		-			-	-
Furniture & Fittings	-			-		-			-	-
Motor Vehicles	-			-		-			-	-
Plant & Equipment	-			-		-			-	-
Buildings - Netball Court	-	60,141		60,141	2.50%	-	376		376	59,765
Infrastructure	-			-		-			-	-
Total Fixed Assets	-	60,141	-	60,141		-	376	-	376	59,765

AVARUA PRIMARY SCHOOL

Audit Concerns

	<u>Recommendation</u>	<u>Responsibility</u>	<u>Action Taken</u>
1) Bank Reconciliations not done	Bank reconciliation needs to be done on a monthly basis	Treasurer	
2) Instances of disagreement between total receipts in receipt book and credits in bank statement.	Receipts need to be written as soon as money received, need to be written clearly and monthly bank reconciliations need to be done.	Principal	
3) Purpose of money received not recorded on all Receipts.	At least the following information should be clearly noted on Receipts: i) Date ii) Customer iii) Amount iv) Income Type	Principal	
4) Payment Voucher not used	Payment voucher needs to be used with each payment and should be properly authorised with supporting invoices to verify purchase and receipts to verify payments done.	Principal	
5) Assets not reflected in Balance Sheet	Assets should be reflected at cost less accumulated depreciation on the Balance Sheet.	Treasurer	
6) No depreciation expense taken up	Assets should be depreciated as per its life and expense taken up in P & L while it needs to be shown at cost less accumulated depreciation in the Balance Sheet.	Treasurer	
7) No information on closing or opening stock on hand thus impossible to calculate cost of sales.	Each year end it is recommended that School does its inventory stock take on hand and the cost it was bought for so that value of inventory can be reported in Balance Sheet and Cost of Sales can be calculated in order to determine the Gross Profit.	Principal/Treasurer	