

TAKITUMU PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

TAKITUMU PRIMARY SCHOOL

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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TAKITUMU PRIMARY SCHOOL

DIRECTORY

Ministry

Education

Name of Principal

Ms Engia Pate

Business Address

Matavera

Rarotonga

Cook Islands

Auditor

Ministry of Education

Banker

Westpac

Avarua

Solicitor

Crown Law Office

TAKITUMU 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 Takitumu Primary School's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide 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 Takitumu Primary School for the year ended 31st December 2010.

Ms Ann Taruia
Treasurer

20 March 2011

Ms Engia Pate
Principal – Takitumu School

20 March 2011

Takitumu Primary School
Income & Expenditure Statement for the year ended 31 December 2010

	<u>Current Year</u> 2010
<u>Income</u>	
Donation	\$ 1,712.80
School Fees	\$ 2,125.00
Uniform Sales	\$ 3,119.50
Reimbursements	\$ 4,487.30
Tuckshop Sales	\$ 1,005.90
Maori Week	\$ 460.50
Books	\$ 3,540.90
Spell A Thon	\$ 12,999.90
Parents Day	\$ 185.50
Raffle	\$ 719.00
Stationery	\$ 166.00
Interest	\$ 1,381.70
Other Revenue	\$ 2,369.80
Total Income	\$ 34,273.80
 <u>Expenditure</u>	
Depreciation	\$ 1,074.28
Office Equipment	\$ 85.47
Entertainment	\$ 649.40
Equipment Maintenance	\$ 371.00
Equipment Hire	\$ 200.00
Communication	\$ 1,085.18
Parents Day	\$ 1,526.00
Transport	\$ 888.75
Library	\$ 42.00
Freight & Postage	\$ 60.00
Sports Day	\$ 843.61
Office Expenses	\$ 4,319.93
Expense Asset	\$ 140.00
Gifts	\$ 539.20
Textbooks	\$ 3,622.00
Stationery	\$ 1,881.52
School Picnic	\$ 770.76
Donation	\$ 890.00
Uniform Expenses	\$ 7,200.00
Bank Charges	\$ 104.00
Other	\$ 635.40
Total Expenditure	\$ 26,928.50
 Net Surplus / (Deficit)	 \$ 7,345.30

Takitumu Primary School
Balance Sheet as at 31 December 2010

Current Year
2010

Current Assets

Wetpac Bank Balances	\$ 13,086.10
BCI - TPS Committee	\$ 142.17
Term Deposits	\$ 67,520.20
Total Current Assets	\$ 80,748.47

Non-Current Assets

Property, Plant, and Equipment	\$ 7,327.31
Total Non Current Assets	\$ 7,327.31

Total Assets

\$ 88,075.78

Liabilities

Accounts Payables	\$ 290.77
Total Liabilities	\$ 290.77

NET ASSETS

\$ 87,785.01

Equity

Opening Equity	\$ 80,439.71
Net surplus (deficit) for the year	\$ 7,345.30
Total Equity	\$ 87,785.01

Variance

\$ -

Takitumu Primary School
Bank Reconciliation Summary as at 31 December 2010

General Ledger

Opening Balance	\$ 8,827.88
Add: Cash Receipts	\$ 38,514.03
Less: Cash Payments	\$ 34,255.81

Ledger Balance as at 31 December 2010

\$ 13,086.10

Bank Reconciliation

Credit Balance as per bank statement	\$ 13,581.10
Add: Lodgements not yet credited	\$ -
Add: Outstanding Debits	\$ -
Less: Unpresented Cheques	\$ 495.00
Less: Outstanding Credit	\$ -
Balance as per GL	<u>\$ 13,086.10</u>

Takitumu Primary School

Fixed Assets Summary

Fixed Assets 2010

Category	Opening Cost	Additions	Disposals	Closing Cost	Depreciation Rate	Opening Accum Depn	Depreciation	Accum Depn on Disposals	Closing Accum Depreciation	Net Book Value
Computer Equipment	-	1,362		1,362	33%	-	247	-	247	1,115
Furniture & Fittings	-	-		-		-			-	-
Motor Vehicles	-	-		-		-			-	-
Plant & Equipment	-	7,040		7,040	20%	-	827		827	6,212
Buildings	-			-		-			-	-
Infrastructure	-			-		-			-	-
Total Fixed Assets	-	8,402	-	8,402		-	1,074	-	1,074	7,327

TAKITUMU 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 the Takitumu 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 accrual basis of accounting and are presented in New Zealand dollars rounded to the nearest dollar.

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

Takitumu Primary School derives revenue from Donation, School Fees and Fundraising Activities for the provision of services to the Children in the form of Education. Revenue is also provided from the provision of services to third parties. All such revenue is recognised when it is earned.

(ii) Expenses

Expenses are recognised when incurred and are reported in the financial period to which they relate.

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:

Computer Equipment	3 years
Plant & Equipment	5 years

TAKITUMU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED

(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

TAKITUMU PRIMARY SCHOOL

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

Note 2:	Cash	
	Bank Balances	\$ 13,228.27
	Petty Cash	\$ -
	Total Cash	<u>\$ 13,228.27</u>

Note 3:	Term Deposits	
	Term Deposit # 32411 I6	\$ 10,665.69
	Term Deposit # 75911 I6	\$ 56,854.51
	Total Term Deposits	<u>\$ 67,520.20</u>

Note 3: Fixed Asset

Category	Additions	Closing Cost	Depreciatio	Depreciation	Closing	Net Book Value
Computer Equipment	1,362	1,362	33%	247	247	1,115
Furniture & Fittings	-	-			-	-
Motor Vehicles	-	-			-	-
Plant & Equipment	7,040	7,040	20%	827	827	6,212
Buildings		-			-	-
Infrastructure		-			-	-
Total Fixed Assets	8,402	8,402		1,074	1,074	7,327

Audit Entries - Takitumu School

	Dr	Cr
Expense Asset	\$ 140.00	
Fixed Asset		\$ 140.00
Accumulated Depreciation - Fixed Asset	\$ 630.04	
Depreciation on Fixed Asset		\$ 630.04
Term Deposit # 32411 I6	\$ 389.78	
Term Deposit # 75911 I6	\$ 2,075.04	
Interest Received		\$ 2,464.82
Bank Charges	\$ 5.90	
Westpac Cheque A/c		\$ 5.90
Westpac Cheque A/c	\$ 11.91	
Interest Received		\$ 11.91
Other Expense	\$ 894.28	
Opening Equity		\$ 894.28
	<u>\$ 4,146.95</u>	<u>\$ 4,146.95</u>

TAKITUMU PRIMARY SCHOOL

Audit Concerns

Receipts	Recommendation	Responsibility	Action Taken
1) Receipts not written in Chronological Order	Receipt should be written immediately upon receipt of cash and importance should be placed on writing it in chronological order	Treasurer/Principal	
2) Instances of money received and deposited without being receipted	Every payment received should be receipted on a daily basis	Treasurer/Principal	
3) Fund raised for Red Cross receipted but not posted on system and cash given to Red Cross	If money is receipted it should be posted on system and a Cheque written to pay the Charity Organization	Treasurer/Principal	
Payments			
1) No Payment voucher used thus no authorisation	Need to use a payment voucher which is to be authorised and filed with invoices for payment as backup.	Treasurer/Principal	
Fixed Assets			
1) Assets bought are lumped together in Balance Sheet as Fixed Asset	Need to break assets down by category and a Register kept	Treasurer	
2) Expense Assets taken up as Assets	Assets less than \$300 should be treated in P & L as expensed asset and not in Balance Sheet as Fixed Asset	Treasurer	
3) Incorrect Depreciation Rates used	Correct rates should be used for Depreciation such as 33% for Computer Equipment & 20% for Plant & Equipment	Treasurer	
4) Assets over depreciated	Depreciation on assets should commence from the date asset actually received and not the whole year for every new assets added.	Treasurer	
Cash			
1) Not all bank charges & interest received taken up	Need to take up all charges and interest and bank Reconciliation to be done at each month end	Treasurer	
Term Deposits			
1) Not all interest earned on TD captured	Need to capture all interest rates on TD by keeping an eye on Maturity dates.	Treasurer	