

DURACK SCHOOL COUNCIL INCORPORATED
ANNUAL FINANCIAL STATEMENTS
for the year ending 31 December 2016

SUSANNE LEE & ASSOCIATES PTY LTD

CERTIFIED PRACTISING ACCOUNTANTS

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**DURACK SCHOOL COUNCIL INCORPORATED
FINANCIAL REPORT
YEAR ENDED 31st December 2016**

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DURACK SCHOOL COUNCIL INCORPORATED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

As Chairperson of the Durack School Council Incorporated I state to the best of my knowledge and belief that the accompanying financial report, which has been prepared by the School's management in accordance with the reporting requirements of the Northern Territory Department of Education does fairly reflect the financial position of the School and its performance for the year ended 31 December 2016.

At the date of this statement, I have obtained assurance from the School Principal that there were reasonable grounds to believe that the School will be able to pay their debts as and when they fall due.

Chairperson



Dated:

3/3/2017

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

INDEPENDENT AUDIT REPORT***To the members of Durack School Council Incorporated***

We have audited the accompanying financial report of Durack School Council Incorporated, which comprises the Statement of Financial Position as 31/12/2016 and the Income Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the School Council statement.

School Council responsibility for the financial report

The School Council of Durack School Council Incorporated are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Education Act* where applicable and for such internal control as the Council determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the Schools preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the School as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Report qualification***Basis for qualified opinion***

Receipts from cash self-generated funds are a source of revenue for the Durack School Council Incorporated. The School has determined that it is impracticable to establish control over the collection of cash revenue prior to entry in its financial records. Accordingly, as the evidence available to us about cash revenue was limited, our audit procedures for this revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether cash self-generated revenue obtained by the Durack School Council Incorporated is complete.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report Durack School Council Incorporated presents fairly in all material respects in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the Durack School Council Incorporated at 31 December 2016 and its financial performance for the year then ended.



Susanne Lee
Director
8 February 2017

DURACK SCHOOL COUNCIL INCORPORATED
Statement of Financial Position

December 2016

	This Year	Last Year
ASSETS		
Current Assets		
Cash At Bank		
Cheque Account	\$727,765.83	\$596,007.27
Debit Card	\$1,295.05	\$1,932.55
Total Cash at Bank	\$729,060.88	\$597,939.82
Cash on Hand		
Cash Register Draw	\$200.00	\$200.00
School Petty Cash	\$550.00	\$550.00
Canteen Till Float	\$40.00	\$40.00
Fundraising Float	\$550.00	\$550.00
Total Cash on Hand	\$1,340.00	\$1,340.00
Trade Debtors		
Trade Debtors	\$2,792.94	\$5,810.94
Inventories		
Uniform Stock on Hand	\$22,065.92	\$17,982.65
Total Current Assets	\$755,259.74	\$623,073.41
Non-Current Assets		
Plant and Equipment	\$24,827.90	\$0.00
Provision for Depreciation	-\$8,135.91	\$0.00
Total Non-Current Assets	\$16,691.99	\$0.00
Total ASSETS	\$771,951.73	\$623,073.41
LIABILITIES		
Current Liabilities		
Net Deposits Held - 3rd Parties	-\$37.81	\$576.08
Trade Creditors		
Trade Creditors	\$27,804.17	\$45,233.12
GST Liabilities		
GST Collected on Sales	\$228.44	\$446.44
GST Paid on Purchases	-\$2,013.26	-\$3,526.81
Total GST Liabilities	-\$1,784.82	-\$3,080.37
Unearned Revenue		
Prepaid School Fees	\$0.00	\$5,586.00
Employee Entitlements		
Annual Leave Entitlement	\$3,274.00	\$3,323.00
Long Service Leave Entitlement	\$16,116.00	\$14,365.00
Total Employee Entitlements	\$19,390.00	\$17,688.00
Total Current Liabilities	\$45,371.54	\$66,002.83
Non-Current Liabilities		
	\$0.00	\$0.00
Total LIABILITIES	\$45,371.54	\$66,002.83
Net ASSETS	\$726,580.19	\$557,070.58
EQUITY		
Accumulated Funds	\$557,070.60	\$377,229.27
Current Year Surplus/(Deficit)	\$169,509.61	\$179,841.33
Total EQUITY	\$726,580.21	\$557,070.58

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

DURACK SCHOOL COUNCIL INCORPORATED
Income Statement
January-December 2016

	This Year	Last Year
INCOME		
Grants and Subsidies		
Commonwealth Grants via DoE	\$921.15	\$39,476.78
Commonwealth Grants Direct to Schools	\$17,334.55	\$38,533.59
Other Grants from DoE	\$961,960.99	\$692,538.41
Other Grants from NTG Departments	\$66,760.93	\$48,394.66
3rd Party Grants - External	\$300.00	\$4,563.80
Total Grants and Subsidies	\$1,047,277.62	\$823,507.24
Sale of Goods and Services		
School Council Projects	\$224,692.46	\$187,087.67
Student Activities	\$48,387.07	\$36,036.15
Total Sale of Goods and Services	\$273,079.53	\$223,123.82
Interest Received		
Interest Received	\$1,646.01	\$1,928.13
Miscellaneous Receipts		
Reimbursements Other Government School	\$925.37	\$10,100.00
Total INCOME	\$1,322,928.53	\$1,058,659.19
EXPENSES		
Employee Expenses		
Salaries & Related Expenses	\$319,734.87	\$240,048.00
Superannuation	\$30,130.40	\$22,589.63
Total Employee Expenses	\$349,865.27	\$262,637.63
Purchase of Goods & Services		
School General Expenses	\$62,841.82	\$69,758.42
Administrative Expenses	\$21,515.27	\$8,134.86
Motor Vehicle Expenses	\$109.30	\$31.82
Student Activities	\$78,684.82	\$40,130.97
Student Information Technology	\$117,725.33	\$22,317.38
Admin It and Communication	\$50,256.57	\$37,927.03
Curriculum	\$100,227.23	\$73,156.76
School Non-Core Activities	\$47,360.79	\$42,275.66
Payments to Other Government Schools/Government Agencies	\$1,822.58	\$2,500.63
Total Purchase Of Goods & Services	\$480,543.71	\$296,233.53
Repairs & Maintenance		
Urgent Minor Repairs	\$44,407.79	\$48,403.64
Non-Urgent Minors	\$10,216.80	\$9,516.63
Total Repairs & Maintenance	\$54,624.59	\$57,920.27
Depreciation & Amortisation		
Depreciation Charged	\$2,455.01	\$0.00
Property Management		
Essential Services	\$211,456.67	\$205,720.73
Cleaning	\$8,695.67	\$8,860.17
Grounds	\$34,598.58	\$45,243.40
Property Management Other	\$10,643.77	\$2,202.13
Total Property Expenses	\$265,394.69	\$262,026.43
Administrative Expenses		
Bad Debt	\$535.65	\$0.00
Total EXPENSES	\$1,153,418.92	\$878,817.86
Net PROFIT/(LOSS)	\$169,509.61	\$179,841.33

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

DURACK SCHOOL COUNCIL INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31st December 2016

Note 1: Statement of Accounting Policies.

These financial statements are a special purpose financial report prepared for the Council in order to satisfy the requirements of the Northern Territory Department of Education and the School Council Constitution. In accordance with the powers in S71H(1) of the Education Act (NT), the Secretary of the Department of Education has prescribed the manner in which the School Council is to prepare this report, and in so doing, has determined the accounting policies to be adopted in preparing the report.

In general, the statements have been prepared on the accruals basis and under the historic cost convention.

(a) Scope of the School Council's financial reporting

This financial report records only the revenues and associated expenditure of funds allocated to, or raised by, the School. It does not include teaching and administrative staff salaries and allowances, including leave provisions, since these personnel are employees of the Department, and their employment costs are met by the Department. The School does receive funding for casual relief teachers and other relief staffing, and although this activity is controlled by the School's management on behalf of the Department, it is included in this financial report.

(b) Revenue recognition

Revenue from grants is recognised upon receipt, except where invoices are raised on the Department for reimbursable funded items, including essential services, property management and some relief personnel. In those instances, the revenue is recognised when the invoice is raised. Minor New Works and Capital grant balances are transferred to the balance sheet at year end. Receipts from fund raising activities are recognised when they have been received by the School.

(c) Income Tax

The School is exempt from income tax under provisions of the Income Tax Assessment Act that apply to Government bodies.

(d) Capital expenditure

The School does not own the land on which the School is situated, so does not record the cost or value of the buildings on that land. The land and buildings are assets of the Northern Territory Government.

From the 2010 financial year and in accordance with the Department of Education requirement, only assets with a cost of \$10,000 or higher are recorded as an asset. Only assets exceeding that amount are carried as recorded in the balance sheet.

(e) Depreciation

Assets carried in the balance sheet will be depreciated on a straight line basis @ 15%.

(f) Receivables

Revenue from reimbursement from the Department of Education for over-expenditure in grant funded activities is brought to account when received.

(g) Inventories

Inventories are measured at the lower of purchase cost and net realisable value.

(h) Employee Entitlements

The School employs staff on casual, award and/or contract arrangements and has incurred a liability for employee entitlements.

The accompanying notes form part of the financial report and are to be read in conjunction with the attached audit report.

SUSANNE LEE & ASSOCIATES PTY LTD

CERTIFIED PRACTISING ACCOUNTANTS

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March 3, 2017

The Chairperson
Durack School Council Incorporated
PO Box 225
Palmerston NT 0831

Dear Chairperson

Audit of Durack School Council Incorporated for the Year Ended 31 December 2016.

We have completed our audit of the financial report of Durack School Council Incorporated for the year ended 31 December 2016.

As stated in our engagement letter, our audit is designed to form an opinion on the financial report. Because of the test nature of an audit, there is a risk that some material misstatement, fraud or irregularity may remain undiscovered. Any matters noted during the audit that we wish to draw to your attention will be set out in attached schedules or raised as a comment in this letter. The schedules are not intended to be a comprehensive report of all such matters that may exist.

We note that you are investigating options to maximize the return on your investments instead of holding all your funds in a single cheque account.

Your current internal control procedures are excellent with no recommendations for improvements hence there are no schedules.

Should you wish to discuss any aspect of your report or this letter, please contact me on my mobile or by email.

This report is prepared under the terms of our engagement solely for the information of Council members and management of Durack School Council Incorporated.

Please arrange for the attached council representation letter to be copied on to your letterhead, signed, scanned and emailed to me.

Yours faithfully



Susanne Lee FCPA
Director