

**DURACK SCHOOL COUNCIL INCORPORATED**  
**ANNUAL FINANCIAL STATEMENTS**  
for the year ending 31 December 2015

**SUSANNE LEE & ASSOCIATES PTY LTD**

CERTIFIED PRACTISING ACCOUNTANTS

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**DURACK SCHOOL COUNCIL INCORPORATED  
FINANCIAL REPORT  
YEAR ENDED 31<sup>st</sup> December 2015**

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**DURACK SCHOOL COUNCIL INCORPORATED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 2015.

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:

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 31/12/15 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 2015 and its financial performance for the year then ended.



Susanne Lee  
Director  
2 March 2016

**DURACK SCHOOL COUNCIL INCORPORATED**  
**Statement of Financial Position**

December 2015

|  | This Year           | Last Year           |
|--|---------------------|---------------------|
| <b>ASSETS</b>                            |                     |                     |
| <b>Current Assets</b>                    |                     |                     |
| <b>Cash At Bank</b>                      |                     |                     |
| Cheque Account                           | \$596,007.27        | \$393,376.10        |
| Debit Card                               | \$1,932.55          | \$1,985.68          |
| <b>Total Cash at Bank</b>                | <b>\$597,939.82</b> | <b>\$395,361.78</b> |
| <b>Cash on Hand</b>                      |                     |                     |
| 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            |
| <b>Total Cash on Hand</b>                | <b>\$1,340.00</b>   | <b>\$1,340.00</b>   |
| <b>Trade Debtors</b>                     |                     |                     |
| Trade Debtors                            | \$5,810.94          | \$1,302.94          |
| <b>Inventories</b>                       |                     |                     |
| Uniform Stock on Hand                    | \$17,982.65         | \$21,066.95         |
| Stationery/Text Book Stock               | \$0.00              | \$1,332.00          |
| <b>Total Inventories</b>                 | <b>\$17,982.65</b>  | <b>\$22,398.95</b>  |
| <b>Total Current Assets</b>              | <b>\$623,073.41</b> | <b>\$420,403.67</b> |
| <b>Non-Current Assets</b>                |                     |                     |
| Plant and Equipment                      | \$0.00              | \$5,680.90          |
| Provision for Depreciation               | \$0.00              | -\$5,680.90         |
| <b>Total Non-Current Assets</b>          | <b>\$0.00</b>       | <b>\$0.00</b>       |
| <b>Total ASSETS</b>                      | <b>\$623,073.41</b> | <b>\$420,403.67</b> |
| <b>LIABILITIES</b>                       |                     |                     |
| <b>Current Liabilities</b>               |                     |                     |
| Net Deposits Held - 3rd Parties          | \$576.08            | -\$83.75            |
| <b>Total Deposits Held - 3rd Parties</b> |                     |                     |
| <b>Trade Creditors</b>                   |                     |                     |
| Trade Creditors                          | \$45,233.12         | \$29,838.63         |
| <b>GST Liabilities</b>                   |                     |                     |
| GST Collected on Sales                   | \$446.44            | \$118.44            |
| GST Paid on Purchases                    | -\$3,526.81         | -\$2,281.82         |
| <b>Total GST Liabilities</b>             | <b>-\$3,080.37</b>  | <b>-\$2,163.38</b>  |
| <b>Unearned Revenue</b>                  |                     |                     |
| Prepaid School Fees                      | \$5,586.00          | \$0.00              |
| <b>Employee Entitlements</b>             |                     |                     |
| Annual Leave Entitlement                 | \$3,323.00          | \$2,205.92          |
| Long Service Leave Entitlement           | \$14,365.00         | \$13,377.00         |
| <b>Total Employee Entitlements</b>       | <b>\$17,688.00</b>  | <b>\$15,582.92</b>  |
| <b>Total Current Liabilities</b>         | <b>\$66,002.83</b>  | <b>\$43,174.42</b>  |
| <b>Non-Current Liabilities</b>           |                     |                     |
|  | <b>\$0.00</b>       | <b>\$0.00</b>       |
| <b>Total LIABILITIES</b>                 | <b>\$66,002.83</b>  | <b>\$43,174.42</b>  |
| <b>Net ASSETS</b>                        | <b>\$557,070.58</b> | <b>\$377,229.25</b> |
| <b>EQUITY</b>                            |                     |                     |
| Accumulated Funds                        | \$377,229.27        | \$243,551.30        |
| Current Year Surplus/(Deficit)           | \$179,841.33        | \$133,677.97        |
| <b>Total EQUITY</b>                      | <b>\$557,070.58</b> | <b>\$377,229.25</b> |

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 2015

|  | This Year             | Last Year           |
|--|-----------------------|---------------------|
| <b>INCOME</b>  |                       |                     |
| <b>Grants And Subsidies</b>                              |                       |                     |
| Commonwealth Grants via DoE                              | \$39,476.78           | \$120,649.51        |
| Commonwealth Grants Direct to Schools                    | \$38,533.59           | \$27,479.20         |
| Other Grants From DoE                                    | \$692,538.41          | \$523,114.48        |
| Other Grants From NTG Departments                        | \$48,394.66           | \$64,893.45         |
| 3rd Party Grants - External                              | \$4,563.80            | \$1,044.55          |
| <b>Total Grants And Subsidies</b>                        | <b>\$823,507.24</b>   | <b>\$737,181.19</b> |
| <b>Sale Of Goods And Services</b>                        |                       |                     |
| School Council Projects                                  | \$187,087.67          | \$167,178.72        |
| Student Activities                                       | \$36,036.15           | \$32,491.85         |
| <b>Total Sale Of Goods And Services</b>                  | <b>\$223,123.82</b>   | <b>\$199,670.57</b> |
| <b>Interest Received</b>                                 |                       |                     |
| Interest Received  | \$1,928.13            | \$2,448.05          |
| <b>Miscellaneous Receipts</b>                            |                       |                     |
| Reimbursements Other Government School                   | \$10,100.00           | \$300.00            |
| <b>Total INCOME</b>                                      | <b>\$1,058,659.19</b> | <b>\$939,599.81</b> |
| <b>EXPENSES</b>  |                       |                     |
| <b>Employee Expenses</b>                                 |                       |                     |
| Salaries & Related Expenses                              | \$240,048.00          | \$233,036.72        |
| Superannuation   | \$22,589.63           | \$20,563.28         |
| <b>Total Employee Expenses</b>                           | <b>\$262,637.63</b>   | <b>\$253,600.00</b> |
| <b>Purchase Of Goods &amp; Services</b>                  |                       |                     |
| School General Expenses                                  | \$69,758.42           | \$59,628.39         |
| Administrative Expenses                                  | \$8,134.86            | \$6,267.70          |
| Motor Vehicle Expenses                                   | \$31.82               | \$0.00              |
| Student Activities                                       | \$40,130.97           | \$29,593.43         |
| Student Information Technology                           | \$22,317.38           | \$22,492.42         |
| Admin It And Communication                               | \$37,927.03           | \$24,756.05         |
| Curriculum   | \$73,156.76           | \$75,537.39         |
| School Non-Core Activities                               | \$42,275.66           | \$42,906.58         |
| Payments to Other Government Schools/Government Agencies | \$2,500.63            | \$3,545.40          |
| <b>Total Purchase Of Goods &amp; Services</b>            | <b>\$296,233.53</b>   | <b>\$264,727.36</b> |
| <b>Repairs &amp; Maintenance</b>                         |                       |                     |
| Urgent Minor Repairs                                     | \$48,403.64           | \$52,620.87         |
| Non Urgent Minors  | \$9,516.63            | \$6,454.40          |
| <b>Total Repairs &amp; Maintenance</b>                   | <b>\$57,920.27</b>    | <b>\$59,075.27</b>  |
| <b>Property Management</b>                               |                       |                     |
| Essential Services                                       | \$205,720.73          | \$186,024.19        |
| Cleaning   | \$8,860.17            | \$6,918.99          |
| Grounds  | \$45,243.40           | \$25,667.30         |
| Property Management Other                                | \$2,202.13            | \$6,521.26          |
| <b>Total Property Expenses</b>                           | <b>\$262,026.43</b>   | <b>\$225,131.74</b> |
| <b>Administrative Expenses</b>                           |                       |                     |
| Bad Debt   | \$0.00                | \$3,387.47          |
| <b>Total EXPENSES</b>                                    | <b>\$878,817.86</b>   | <b>\$805,921.84</b> |
| <b>Net PROFIT/(LOSS)</b>                                 | <b>\$179,841.33</b>   | <b>\$133,677.97</b> |

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 31<sup>st</sup> December 2015

### **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.