



Integrated business services

5th May 2018

PRIVATE & CONFIDENTIAL

The Management Committee
Yipirinya School Council Incorporated
PO Box 2363
ALICE SPRINGS NT 0870

Dear Committee Members

MANAGEMENT LETTER FOR YEAR ENDED 31 DECEMBER 2017

We write concerning our audit of the Yipirinya School Council Incorporated for the year ended 31 December 2017.

During our audit we identified no issues which we have not discussed with your accountant that believe should be brought to your attention.

Due to the test nature of all audits, together with the inherent limitations of any system of internal control, it is possible that some material internal control weakness may exist but are not necessarily disclosed. It is the responsibility of management to ensure that an adequate system of internal control is in operation.

Please do not hesitate to contact the undersigned or Ryan Armes of the Alice Springs office should you wish to discuss this letter further.

Yours faithfully,
PERKS AUDIT PTY LTD

P J Hill
Director
Enc

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Chartered Accountants

Perks & Associates Pty Ltd

ACN 008 053 576
ABN 50 507 079 554

Liability limited by a scheme approved
under Professional Standards Legislation.

Audit

Perks Audit Pty Ltd

ACN 109 602 100
ABN 20 173 474 661

Liability limited by a scheme approved
under Professional Standards Legislation.

Wealth Management

Perks Wealth Management Pty Ltd

ACN 086 643 058
ABN 88 086 643 058

Australian Financial Services Licence No. 236 551

Finance

Perks Finance Pty Ltd

ACN 101 919 537
ABN 76 533 199 660

Australian Credit Licence No. 378241

C O N T E N T S

1. PERKS AUDIT & ASSURANCE AUDIT APPROACH 2

1. Perks Audit & Assurance Audit Approach

We explained in our letter of engagement that our audit work involves evaluating only those systems and internal controls in your organisation upon which we rely for the purpose of determining our audit procedures.

The audit approach has concentrated on areas of material risk of error in the accounts in order to allow us to reach our opinion efficiently.

Audit procedures on year end balances concentrated primarily on substantiating the amounts appearing in the accounts and did not include a detailed evaluation of the accounting controls.

Accordingly, our audit may not have identified, and the comments in this letter may not be a comprehensive record of, all the weaknesses that may exist.

The responsibility for maintenance of an adequate system of internal control as well as for the prevention and detection of irregularities, including fraud, rests with management. Our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the accounts resulting from irregularities, including fraud.

Yipirinya School Council Inc

Financial Statements

For the Year Ended 31 December 2017

Yipirinya School Council Inc

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Yipirinya School Council Inc

Committee's Report
31 December 2017

The committee members submit the financial report of the Association for the financial year ended 31 December 2017.

1. General Information

Committee members

The names of committee members throughout the year and at the date of this report are:

- Jungala Kriss - President
- Harold Furber - Public Officer
- Arthur AhChee
- Dawn Ross
- Conrad Wiseman

Principal activities

The principal activities of the Association during the financial year was the operation of a primary and secondary school, as well as a child care centre.

Significant changes

No significant change in the nature of these activities occurred during the year.


2. Operating results and review of operations for the year

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ (924,147)

(2016: \$ (68,740)).

Signed in accordance with a resolution of the Members of the Committee:

Committee member: 
.....
(H'S FURBER)

Committee member: 
.....

Dated this 11 ²⁰¹⁸ day of April 2018


Yipirinya School Council Inc

Statement of Profit or Loss
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Revenue from ordinary activities	<u>4,338,170</u>	5,641,296
Employee expenses	(3,612,655)	(3,807,814)
Depreciation	(435,031)	(473,337)
Motor vehicles expenses	(102,460)	(120,554)
Nutrition purchases	(100,017)	(169,071)
Insurance	(69,571)	(86,939)
Other expenses from ordinary activities	<u>(942,583)</u>	(1,052,321)
Total expenses	<u>5,262,317</u>	5,710,036
Surplus / (deficit) for the year	<u>(924,147)</u>	(68,740)
Retained surplus at the beginning of the financial year	<u>7,812,121</u>	7,880,861
Retained surplus at the end of the financial year	<u>6,887,974</u>	7,812,121

The accompanying notes form part of these financial statements.

Assets and liabilities statement
31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	823,069	1,605,484
Trade and other receivables	4	2,217	217
Prepayments		60,878	-
TOTAL CURRENT ASSETS		886,164	1,605,701
NON-CURRENT ASSETS			
Property, Plant and equipment	5	7,270,543	7,493,767
TOTAL NON-CURRENT ASSETS		7,270,543	7,493,767
TOTAL ASSETS		8,156,707	9,099,468
LIABILITIES			
CURRENT LIABILITIES			
Bank overdrafts		67	-
Trade and other payables	6	294,222	241,294
Employee benefits	7	277,908	299,306
TOTAL CURRENT LIABILITIES		572,197	540,600
NON-CURRENT LIABILITIES			
Employee benefits	7	119,868	170,080
TOTAL NON-CURRENT LIABILITIES		119,868	170,080
TOTAL LIABILITIES		692,065	710,680
NET ASSETS		7,464,642	8,388,788
MEMBERS' FUNDS			
Asset revaluation reserve		576,668	576,668
Retained surplus		6,887,974	7,812,121
TOTAL MEMBERS' EQUITY		7,464,642	8,388,789

Notes to the Financial Statements

For the Year Ended 31 December 2017

The financial statements cover Yipirinya School Council Inc as an individual entity. Yipirinya School Council Inc is a not-for-profit Association incorporated in the Northern Territory under the Northern Territory Associations Act 2017 ('the Act').

The functional and presentation currency of Yipirinya School Council Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The accounts have been prepared on the basis that the school is not subject to income tax..

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Government grants are recognised as revenue in accordance with the year to which they relate. Grants receivable for the current year but not received are accrued as a receivable, grants for future years, received in the current year are treated as liability..

All revenue is stated net of the amount of goods and services tax (GST).

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of assets and liabilities are shown inclusive of GST.

(d) Property, Plant and Equipment

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies

(d) Property, Plant and Equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of assets and liabilities if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(g) Economic dependency

The School is dependent on the Government for the majority of its revenue used to operate the school. At the date of this report the committee members have no reason to believe the Government will not continue to support the school.

3 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank	655,693	1,157,289
Short-term bank deposits	167,376	448,195
Total cash and cash equivalents	<u>823,069</u>	<u>1,605,484</u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

4 Trade and other receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	217	217
Other receivables	2,000	-
Total current trade and other receivables	2,217	217

5 Property, plant and equipment

Buildings		
At cost	13,199,947	12,994,444
Accumulated depreciation	(6,210,627)	(5,851,310)
Total buildings	6,989,320	7,143,134
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	504,763	498,459
Accumulated depreciation	(477,062)	(466,284)
Total plant and equipment	27,701	32,175
Furniture, fixtures and fittings		
At cost	261,865	261,865
Accumulated depreciation	(238,761)	(231,498)
Total furniture, fixtures and fittings	23,104	30,367
Motor vehicles		
At cost	847,092	847,092
Accumulated depreciation	(659,046)	(612,034)
Total motor vehicles	188,046	235,058
Audio visual equipment		
At cost	164,474	164,474
Accumulated depreciation	(148,460)	(140,572)
Total audio visual equipment	16,014	23,902
Canteen equipment		
At cost	44,635	44,635
Accumulated depreciation	(38,616)	(37,293)
Total Property, plant and equipment UD1	6,019	7,342
Library books and equipment		
At cost	137,349	137,349
Accumulated depreciation	(117,010)	(115,560)
Total Library books and equipment	20,339	21,789
Total plant and equipment	281,223	350,633
Total property, plant and equipment	7,270,543	7,493,767

Notes to the Financial Statements
For the Year Ended 31 December 2017

6 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	74,381	30,087
GST payable	41,581	51,008
Other payables	178,260	160,199
Total trade and other payables	<u>294,222</u>	<u>241,294</u>

7 Employee Benefits

	2017	2016
	\$	\$
Current liabilities		
Provision for annual leave	<u>277,908</u>	299,306
Non-current liabilities		
Long service leave	<u>119,868</u>	170,080


Yipirinya School Council Inc

Statement by Members of the Committee

In our opinion:

1. the accompanying financial report as set out on pages 2-7, being a special purpose financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2017 and the results of the Association for the year ended on that date;
2. the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association.
3. there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Committee member  Committee member 

(H.S. FABER)
Mac J.K.

Dated this 11 day of April 2018

Yipirinya School Council Inc

Independent Audit Report to the members of Yipirinya School Council Inc

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report of Yipirinya School Council Inc (the Association), which comprises the statement of assets and liabilities as at 31 December 2017, the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and statement by members of the committee.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Association for the year ended 31 December 2017 is prepared, in all material respects, in accordance with Northern Territory Associations Act 2017.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Yipirinya School Council to maintain an effective system of control over donations, sundry income and other fund raising activities until their initial entry into the accounting system. Our audit, in relation to these items was limited to the amounts recorded in the accounting records. Accordingly, we are unable to express an opinion on the completeness of income.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in meeting the requirements of the Northern Territory Associations Act 2017.. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Northern Territory Associations Act 2017, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



Perks Audit Pty Ltd
Suites 3-4, 8 Gregory Terrace
Alice Springs, NT 0870




Peter Hill
Director
Registered Company Auditor

Dated this 29th May 2018

**Yipirinya School Council Inc
For the Year Ended 31 December 2017**

Disclaimer

The additional financial data presented on page 12 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 31 December 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Yipirinya School Council Inc) in respect of such data, including any errors of omissions therein however caused.



**Perks Audit Pty Ltd
Suites 3-4, 8 Gregory Terrace
Alice Springs, NT 0870**



**Peter Hill
Director
Registered Company Auditor**

Dated this 29th May 2018

Yipirinya School Council Inc

Detailed Profit and Loss Statement 31 December 2017

	2017	2016
	\$	\$
Income		
Grants	4,110,162	5,341,512
Other income	210,329	276,183
Interest	17,679	23,601
Total income	4,338,170	5,641,296
Less: expenses		
Salaries and wages	3,302,139	3,463,201
Depreciation	435,031	473,337
Superannuation	310,516	344,614
Teaching materials	182,146	151,295
Accounting	109,221	84,904
Nutrition purchases	100,017	169,071
Electricity	78,109	81,426
Insurance	69,571	86,939
Repairs and maintenance - buildings	64,026	62,836
Water and sewerage	57,089	49,021
Low value assets	54,196	80,988
Travel and accomodation	46,643	41,405
Motor vehicle - Repairs and maintenance	39,814	61,523
Subscriptions	36,802	29,170
Equipment	36,468	21,565
Motor vehicle - fuel and oil	36,216	48,777
Other staff expenses	33,423	22,727
Repairs and maintenance - pool	30,811	39,394
Fire prevention	28,402	10,315
Sundry expenses	27,416	21,385
Stationary	24,299	51,986
Internet	22,450	55,873
Cleaning contractors	18,959	26,132
Motor vehicle - Registration	14,637	10,255
Waste removal	14,525	13,599
Telephone	13,297	15,425
Canteen expenses	11,908	19,270
Motor vehicle - insurance	11,793	-
Awards and prizes	7,722	6,991
Interest expense	7,351	41,540
Advertising	7,342	7,824
Audit fees	5,500	6,000
Hippy expenses	4,663	6,636
First aid	3,927	6,278
Professional development	3,503	5,845
Bank fees	3,012	3,011
Uniforms	2,812	20,529
Sporting equipment and fees	2,762	-
Gas	2,544	3,052
Membership fees	808	12,309
Legal fees	320	49,550
Postage and freight	127	1,089
OHS compliance	-	2,949
Total expenses	5,262,317	5,710,036
Surplus / (deficit) for the year	(924,147)	(68,740)