

# **Yipirinya School Council Inc**

54904801140

## **Financial Statements**

**For the Year Ended 31 December 2019**

**Yipirinya School Council Inc**

54904801140

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**For the Year Ended 31 December 2019**

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**Directors' Report**  
**31 December 2019**

The committee members submit the financial report of the Association for the financial year ended 31 December 2019.

**1. General Information**

**Committee members**

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

Conrad Wiseman  
Harold Furber  
Arthur AhChee  
Amelia Turner  
Dawn Ross  
Glen Sharp

**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 amounted to \$ 1,225,559 (2018: \$ (234,212)).

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

Committee member:  .....

(HAROLD J. FURBER)

Committee member:  .....

Dated this            day of June 2020

**Yipirinya School Council Inc**

54904801140

**Statement of Profit or Loss**  
**For the Year Ended 31 December 2019**

	2019	2018
	\$	\$
<b>Revenue from ordinary activities</b>	<b>6,009,444</b>	4,737,171
Employee expenses	(3,023,607)	(3,292,561)
Depreciation	(417,823)	(419,580)
Motor vehicles expenses	(153,071)	(108,738)
Nutrition purchases	(83,852)	(103,693)
Insurance	(68,242)	(63,129)
Other expenses from ordinary activities	(1,037,290)	(983,682)
<b>Total expenses</b>	<b>(4,783,885)</b>	(4,971,383)
Surplus / (deficit) for the year	1,225,559	(234,212)
Retained surplus at the beginning of the financial year	6,653,762	6,887,974
<b>Retained surplus at the end of the financial year</b>	<b>7,879,321</b>	6,653,762

The accompanying notes form part of these financial statements.

## Assets and liabilities statement

31 December 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,985,824	781,904
Trade and other receivables	5	6,000	5,216
Prepayments		91,156	63,775
<b>TOTAL CURRENT ASSETS</b>		<b>2,082,980</b>	<b>850,895</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and equipment	6	7,245,070	7,176,413
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,245,070</b>	<b>7,176,413</b>
<b>TOTAL ASSETS</b>		<b>9,328,050</b>	<b>8,027,308</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	473,729	319,012
Employee benefits	8	236,510	298,729
<b>TOTAL CURRENT LIABILITIES</b>		<b>710,239</b>	<b>617,741</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	8	161,822	179,137
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>161,822</b>	<b>179,137</b>
<b>TOTAL LIABILITIES</b>		<b>872,061</b>	<b>796,878</b>
<b>NET ASSETS</b>		<b>8,455,989</b>	<b>7,230,430</b>
<b>MEMBERS' FUNDS</b>			
Asset revaluation reserve		576,668	576,668
Retained surplus		7,879,321	6,653,762
<b>TOTAL MEMBERS' EQUITY</b>		<b>8,455,989</b>	<b>7,230,430</b>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 31 December 2019**

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 2003 ('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 Change in Accounting Policy**

##### **Revenue from Contracts with Customers - Adoption of AASB 15**

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2019.

##### **Leases - Adoption of AASB 16**

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

##### **Impact of adoption of AASB 16**

The impact of adopting AASB 16 is described below:

##### **Association as a lessee**

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 2 Change in Accounting Policy

#### Leases - Adoption of AASB 16

#### Impact of adoption of AASB 16

#### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 January 2019;
- right-of-use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 31 December 2018 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 31 December 2019 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are the same value as the leased asset and liability on 31 December 2019.

### 3 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).

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

### **3 Summary of Significant Accounting Policies**

#### **Revenue from contracts with customers**

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

#### **Grant income**

Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

#### **Capital grants**

Capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the Association's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Association.



## **Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

### **3 Summary of Significant Accounting Policies**

#### **Revenue from contracts with customers**

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Association gains control of the asset.

#### **(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 financial position 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.

#### **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.

#### **(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 financial position 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.

**Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

**3 Summary of Significant Accounting Policies**

**(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.

**4 Cash and cash equivalents**

	2019	2018
	\$	\$
Cash at bank	1,818,448	614,528
Short-term bank deposits	167,376	167,376
	<u>1,985,824</u>	<u>781,904</u>

**5 Trade and other receivables**

	2019	2018
	\$	\$
CURRENT		
Trade receivables	7,959	1,959
Provision for impairment	(1,959)	(1,959)
Other receivables	-	5,216
<b>Total current trade and other receivables</b>	<u>6,000</u>	<u>5,216</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

## 6 Property, plant and equipment

## Buildings

At cost

13,814,757 13,491,531

Accumulated depreciation

(6,913,174) (6,564,285)

Total buildings

6,901,583 6,927,246

Total land and buildings

6,901,583 6,927,246

## PLANT AND EQUIPMENT

Plant and equipment

At cost

535,855 535,855

Accumulated depreciation

(505,104) (491,686)

Total plant and equipment

30,751 44,169

Furniture, fixtures and fittings

At cost

261,865 261,865

Accumulated depreciation

(247,996) (244,071)

Total furniture, fixtures and fittings

13,869 17,794

Motor vehicles

At cost

991,469 847,092

Accumulated depreciation

(736,948) (696,655)

Total motor vehicles

254,521 150,437

Audio visual equipment

At cost

183,010 167,247

Accumulated depreciation

(163,096) (154,444)

Total audio visual equipment

19,914 12,803

Canteen equipment

At cost

47,759 44,635

Accumulated depreciation

(41,133) (39,688)

Total Property, plant and equipment UD1

6,626 4,947

Library books and equipment

At cost

137,349 137,349

Accumulated depreciation

(119,543) (118,332)

Total Library books and equipment

17,806 19,017

Total plant and equipment

343,487 249,167

Total property, plant and equipment

7,245,070 7,176,413

**Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

**7 Trade and other payables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Unsecured liabilities		
Trade payables	66,660	55,515
Accrued legal fees	68,837	-
GST payable	258,676	191,534
Other payables	79,556	71,963
<b>Total trade and other payables</b>	<b>473,729</b>	<b>319,012</b>

**8 Employee Benefits**


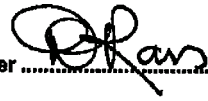
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current liabilities		
Provision for annual leave	236,510	298,729
	<b>236,510</b>	<b>298,729</b>
Non-current liabilities		
Long service leave	161,822	179,137
	<b>161,822</b>	<b>179,137</b>

## **Directors' Declaration**

In our opinion:

1. the accompanying financial report as set out on pages 2-10, 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 2019 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  .....

(HAROLD J. FURBER)

Dated this            day of June 2020

## **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 financial position as at 31 December 2019, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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 2019 is prepared, in all material respects, in accordance with the Associations Act (NT) 2003 (as modified by Part 3, Division 2 of the Stronger Futures in the Northern Territory Regulations 2013).

### **Basis for Qualified Opinion**

#### **Completeness of income**

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 [Enter Compliance Requirements]. 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.

## Yipirinya School Council Inc

# Independent Audit Report to the members of Yipirinya School Council Inc

### Other matter

During our audit we noted that there were a number of reconciling entries to clear stale petty cash accounts. These have been expensed to sundry expenses. The amounts are not material. We were unable to obtain sufficient audit evidence to support these reconciling journals and believe the matter needs to be mentioned in this report. Our opinion is not modified in respect to 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 the Associations Act (NT) 2003 (as modified by Part 3, Division 2 of the Stronger Futures in the Northern Territory Regulations 2013), 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 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*

Perks Audit Pty Ltd  
Suite 7, 8 Gregory Terrace  
Alice Springs, NT 0870

*P Hill*

Peter Hill  
Director  
Registered Company Auditor

Dated this 23<sup>rd</sup> day of June 2020

**Yipirinya School Council Inc**

54904801140

**For the Year Ended 31 December 2019**

**Disclaimer**

The additional financial data presented on pages 16-17 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 2019. 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*

**Perks Audit Pty Ltd**

**Suite 7, 8 Gregory Terrace**

**Alice Springs, NT 0870**

*PHill*

**Peter Hill**

**Director**

**Registered Company Auditor**

Dated this *23<sup>rd</sup>* day of June 2020



## Detailed Profit and Loss Statement

31 December 2019

	2019	2018
	\$	\$
<b>Income</b>		
Grants	5,739,581	4,497,756
Other income	261,993	226,510
Interest	7,870	12,905
<b>Total income</b>	<b>6,009,444</b>	<b>4,737,171</b>
<b>Less: expenses</b>		
Salaries and wages	2,781,048	3,026,087
Depreciation	417,823	419,580
Superannuation	242,559	266,474
Repairs and maintenance - buildings	139,067	148,981
Teaching materials	121,894	135,869
Accounting	111,563	122,717
Motor vehicle - Repairs and maintenance	94,670	60,920
Consultants	89,336	-
Nutrition purchases	83,852	103,693
Sundry expenses	77,033	37,037
Water and sewerage	71,530	69,643
Electricity	69,126	72,307
Insurance	68,242	63,129
Motor vehicle - fuel and oil	43,079	31,643
Other staff expenses	42,389	22,433
Subscriptions	42,006	46,422
Repairs and maintenance - pool	35,706	29,950
Stationary	34,827	31,282
Cleaning contractors	32,505	12,551
Travel and accomodation	26,340	24,377
Hippy expenses	14,505	1,258
Low value assets	14,152	15,820
Fire prevention	13,662	20,776
Waste removal	11,668	10,487
Telephone	11,468	12,678
Equipment	11,290	20,757
Advertising	11,098	24,736
Motor vehicle - insurance	9,937	10,051
Interest expense	9,215	-
Uniforms	8,143	2,723
Membership fees	6,495	8,136
Motor vehicle - Registration	5,385	6,124
Internet	5,169	9,276
OHS compliance	4,720	1,200
Canteen expenses	4,094	4,738
Legal fees	3,857	-
Awards and prizes	3,501	11,401
Bad debts	3,316	1,959
First aid	2,579	4,921
Bank fees	2,013	2,885

## Detailed Profit and Loss Statement

31 December 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
Sporting equipment and fees	1,705	15,449
Gas	1,318	603
40th Celebration expenses	-	52,057
Audit fees	-	6,200
Professional development	-	1,985
Postage and freight	-	68
<b>Total expenses</b>	<b>4,783,885</b>	<b>4,971,383</b>
<b>Surplus / (deficit) for the year</b>	<b>1,225,559</b>	<b>(234,212)</b>