

GALILEE SCHOOL
SPECIAL PURPOSE FINANCIAL REPORT FOR
GALILEE SCHOOL
FOR THE YEAR ENDED
31 DECEMBER 2019

GALILEE SCHOOL

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GALILEE SCHOOL

**PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Revenue			
Government funding:			
- Commonwealth		1,586,033	1,464,896
- ACT		338,627	338,860
Other income		<u>39,486</u>	<u>48,671</u>
Total revenue		<u>1,964,146</u>	<u>1,852,427</u>
Expenses			
Administration costs	2	176,773	166,718
Depreciation and amortisation		104,300	94,310
Employment costs		1,415,906	1,273,273
General expenses		209,238	122,589
Interest expense		1,101	10,831
School building costs		129,429	104,718
Travel costs		<u>1,661</u>	<u>594</u>
Total expenses		<u>2,038,408</u>	<u>1,773,033</u>
Surplus/(deficit) for the financial year		<u>(74,262)</u>	<u>79,394</u>

The above statement should be read in conjunction with the accompanying notes

GALILEE SCHOOL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Assets			
Non-Current Assets			
Property, plant and equipment	3	<u>1,815,723</u>	<u>1,773,117</u>
Total Non-Current Assets		<u>1,815,723</u>	<u>1,773,117</u>
Total Assets		<u>1,815,723</u>	<u>1,773,117</u>
Current Liabilities			
Accruals		8,956	27,994
Financial liabilities		14,338	476,014
Grants in advance		26,014	-
Provision for annual leave		<u>53,549</u>	<u>75,673</u>
Total Current Liabilities		<u>102,857</u>	<u>579,681</u>
Non-Current Liabilities			
Net payable to Communities@Work		<u>975,141</u>	<u>381,449</u>
Total Non-Current Liabilities		<u>975,141</u>	<u>381,449</u>
Total Liabilities		<u>1,077,998</u>	<u>961,130</u>
Net Assets		<u>737,725</u>	<u>811,987</u>

The above statement should be read in conjunction with the accompanying notes

GALILEE SCHOOL

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Net Assets
2019	\$
Balance at 1 January 2019	811,987
Surplus/(deficit) for the year	<u>(74,262)</u>
Balance at 31 December 2019	<u>737,725</u>
2018	Net Assets
	\$
Balance at 1 January 2018	1,200,358
Surplus/(deficit) for the year	79,394
Adjustment for cash movement in 2018	(86,316)
Recognition of net payable to Communities@Work (inclusive of cash movements)	<u>(381,449)</u>
Balance at 31 December 2018	<u>811,987</u>

GALILEE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Galilee School is a cost centre within the operations of Communities@Work, which is the legal entity that operates the School. The assets, liabilities, income and expenses included in this report have been extracted from the books and records of Communities@Work. An organisation support expense is charged by Communities@Work as an estimate of the costs incurred by Communities@Work in providing services to Galilee School.

Basis of Preparation

The special purpose financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Accounting Policies

Income Tax

The entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Property, Plant and Equipment

Items of plant and equipment are capitalised at historical cost. They are written off progressively as an expense by means of a depreciation charge on a straight line basis based on the estimated useful life of the asset. Assets with a cost in excess of \$3,000 (net of GST) are classified as Plant and Equipment.

As at 30 June 2011, Communities@Work acquired all the assets of Galilee Incorporated (including Galilee School) as part of an amalgamation process. Due to this process, Galilee School no longer reflects the assets that are not directly utilised by their operations. As such property at cost is still reflected as a part of Galilee School and reflected on their statement of financial position.

The estimated useful lives used for each class of depreciable assets are:

Class of assets	Useful lives
Buildings	20 - 40 years
Plant and equipment	3 – 7 years
Motor vehicle	5 years

At the end of each annual reporting period, the depreciation method and useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

GALILEE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash

Any cash balance attributable to Galilee School is incorporated in the 'Net payable to Communities@Work' which is shown as part of liabilities. The net amount payable to Communities@Work is recorded as a non-current liability. As Galilee School is a cost centre of Communities@Work, this net payable is only expected to reduce as Galilee School achieves cash surpluses.

Comparative Figures

Reconstruction of the Statement of Financial Position was undertaken during the year and as a result, comparative figures have been adjusted. In the prior year the financial statements recorded a net asset balance of \$1,193,436 at 30 June 2018. The 30 June 2018 figures have been restated in this financial report by recording a net payable to Communities@Work of \$381,449, reducing the net asset balance to \$811,987. The net amount payable of \$381,449 was derived after a reconstruction of the Statement of Financial Position from the time that Communities@Work acquired the entity in 2011 and is mainly reflective of the net cash flows of Galilee School since that time.

NOTE 2 ADMINISTRATIVE COSTS

An organisation support expense of \$176,773 (2018: \$166,718) has been charged as at 31 December 2019 to Galilee School from Communities@Work.

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Property – at cost	2,127,589	2,083,345
Less: accumulated depreciation	<u>(425,144)</u>	<u>(347,289)</u>
	<u>1,702,445</u>	<u>1,736,056</u>
Furniture and equipment – at cost	71,401	63,028
Less: accumulated depreciation	<u>(53,886)</u>	<u>(45,378)</u>
	<u>17,515</u>	<u>17,650</u>
Motor vehicle – at cost	22,088	22,088
Less: accumulated depreciation	<u>(6,693)</u>	<u>(2,677)</u>
	<u>15,395</u>	<u>19,411</u>
IT Systems – at cost	28,741	-
Less: accumulated depreciation	<u>(9,874)</u>	<u>-</u>
	<u>18,867</u>	<u>-</u>
Work in progress	<u>61,501</u>	<u>-</u>
	<u>1,815,723</u>	<u>1,773,117</u>

GALILEE SCHOOL
STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee has determined that Galilee School is not a reporting entity.

In the opinion of the Committee, the financial statement and notes to the financial statements:

1. Present fairly the financial position of Galilee School as at 31 December 2019 and the results of Galilee School for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Galilee School will be able to pay its debts as and when they fall due.

The financial statements have been made out in accordance with the accounting policies outlined in Note 1 to the financial statements.

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


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Dated: 22 May 2020

Independent Auditor's Report to the Members of Communities@Work

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Galilee School, which comprises the statement of financial position as at 31 December 2019 and the profit and loss statement and statement of changes in net assets for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee's declaration.

In our opinion the financial report presents fairly, in all material respects, the financial position of Galilee School as at 31 December 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements and 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 opinion.

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared for the members of Communities@Work. The financial report may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The committee members are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial statements, and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the entity'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 the committee either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibility 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Nexia Duesburys (Audit)
Canberra, 22 May 2020



G J Murphy
Partner