

**GALILEE SCHOOL  
OPERATED BY COMMUNITIES@WORK**

**SPECIAL PURPOSE FINANCIAL REPORT FOR  
GALILEE SCHOOL  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

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# **GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

## **PREFACE**

Communities@Work's Galilee School is a registered, independent secondary school for disengaged and vulnerable young people in Years 7-12 in ACT and surrounding areas for whom the mainstream schooling environment has struggled to deliver positive learning outcomes.

The functions of the school are supported by the broader operations and financial assets of Communities@Work. This includes board oversight, executive, facility and administrative support services to the Galilee School as part of the Communities@Work's commitment to the staff, students and families who form part of this community. An organisation support expense is levied as an estimate of the costs in providing these services (Note 2).

The operating surplus reported for 2022 was due mainly to higher capital grant (+1,333K year on year), commensurate with building work of Kambah campuses. The directors of Communities@Work are the Galilee School's committee for the purposes of government (Commonwealth and Territory) reporting.

As a special purpose set of financial statements, the assets, liabilities, income and expenses included in this report have been extracted from the management accounts of Communities@Work. As disclosed at Note 1 to the accounts, cash balance attribute to the Galilee School is incorporated in the "Net payable to Communities@Work" which is reported as a non-current liability.

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>Revenue</b>			
Government funding:			
- Commonwealth		2,975,229	2,448,402
- ACT		698,131	570,522
Capital grants		1,333,842	234,201
Other income		35,893	24,349
<b>Total Revenue</b>		<u>5,043,095</u>	<u>3,277,474</u>
<b>Expenses</b>			
Administration costs	2	323,809	294,973
Depreciation and amortisation		357,604	260,995
Employment costs		2,616,086	2,440,444
General expenses		515,973	394,205
Interest expense		30,358	28,305
School building costs		102,249	208,614
Travel costs		1,601	1,663
<b>Total expenses</b>		<u>3,947,680</u>	<u>3,629,199</u>
<b>Surplus/(deficit) for the period</b>		<u>1,095,415</u>	<u>(351,725)</u>

The accompanying notes form part of these financial statements.

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Accrued income		-	42,387
Prepayments		<u>14,533</u>	<u>13,117</u>
<b>Total current assets</b>		<u>14,533</u>	<u>55,504</u>
<b>Non-current assets</b>			
Property, plant and equipment	3	4,937,239	3,475,137
Right-of-use assets	4	<u>905,140</u>	<u>929,636</u>
<b>Total Non-current assets</b>		<u>5,842,379</u>	<u>4,404,773</u>
<b>Total Assets</b>		<u><u>5,856,912</u></u>	<u><u>4,460,277</u></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		35,016	29,664
Unearned revenue		142	1,891
Lease liabilities	4	107,722	90,753
Leave provision		<u>115,345</u>	<u>136,471</u>
<b>Total current liabilities</b>		<u>258,225</u>	<u>258,779</u>
<b>Non-current liabilities</b>			
Lease liabilities	4	810,544	822,627
Net payable to Communities@Work		<u>2,119,219</u>	<u>1,805,363</u>
<b>Total Non-current liabilities</b>		<u>2,929,763</u>	<u>2,627,990</u>
<b>Total Liabilities</b>		<u>3,187,988</u>	<u>2,886,769</u>
<b>Net Assets</b>		<u><u>2,668,924</u></u>	<u><u>1,573,508</u></u>

The accompanying notes form part of these financial statements.

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

**STATEMENT OF CHANGE IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2022**

	<b>Net Assets</b>
	<u>\$</u>
<b>Balance at the beginning of the year</b>	1,573,508
Net surplus/(deficit)	<u>1,095,415</u>
<b>Balance at the end of the year</b>	<u><u>2,668,924</u></u>

**2021**

	<b>Net Assets</b>
	<u>\$</u>
<b>Balance at the beginning of the year</b>	1,925,233
Net surplus/(deficit)	<u>(351,725)</u>
<b>Balance at the end of the year</b>	<u><u>1,573,508</u></u>

The accompanying notes form part of these financial statements.

# GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Galilee School operated by Communities@Work (the School) is a cost centre of Communities@Work.

#### **New or amended Accounting Standards and Interpretations adopted**

There are no new accounting standards adopted within the 2022 calendar year.

#### **Basis of preparation**

In the Committees' opinion, the School is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### **Going Concern Basis of Accounting**

The financial statements have been prepared on a going concern basis which assumes that the School will be able to pay its debts as and when they fall due.

As at 31 December 2022, the School's current liabilities exceeded its current assets by \$245,180.

The school has been operating with funding support from Communities@Work as the proprietor. The committee believe that it is reasonably foreseeable that the school will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

#### **Revenue**

##### *Grants income*

Grant revenue is recognised in profit or loss when the School satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the school is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Income tax**

Communities@Work and by extension the School is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the School's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the School's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period. All other liabilities are classified as non-current.

# GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### Cash and cash equivalents

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.

### Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets with a cost in excess of \$2,000 (net GST) are classified as Plant and Equipment.

As at 30 June 2011, Communities@Work acquired all the assets of Galilee Incorporated (included 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 part of Galilee School and reflected on their statement of financial position.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Class of Assets	Useful lives
Building	20-40 years
Plant fixture and fittings	3-7 years
Motor Vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the School. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.



# GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The school has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Comparative figures**

Comparative figures have been adjusted, where necessary to conform to change in presentation for the current financial year.

### **Critical accounting estimates and judgments**

The committee evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation.

### **Critical accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Estimation of useful lives of assets*

The school determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 2: ADMINISTRATIVE COSTS**

An organisation support expense of \$323,809 (2021: \$294,973) has been charged as at 31 December 2022 to Galilee School from Communities@Work.

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Property - at cost	3,878,254	3,653,227
Less: accumulated depreciation	<u>(777,375)</u>	<u>(625,749)</u>
	<u>3,100,879</u>	<u>3,027,478</u>
Furniture and equipment - at cost	191,814	160,579
Less: accumulated depreciation	<u>(92,539)</u>	<u>(70,725)</u>
	<u>99,275</u>	<u>89,854</u>
IT Systems - at cost	312,468	248,196
Less: accumulated depreciation	<u>(135,159)</u>	<u>(74,462)</u>
	<u>177,309</u>	<u>173,734</u>
Motor Vehicles - at cost	5,645	-
Less: accumulated depreciation	<u>(659)</u>	<u>-</u>
	<u>4,986</u>	<u>-</u>
Work in progress	<u>1,554,790</u>	<u>184,071</u>
	<u><u>4,937,239</u></u>	<u><u>3,475,137</u></u>

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT  
(CONTINUED)**

*Movements in Carrying Amounts*

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Property</b>	<b>Furniture and equipment</b>	<b>IT Systems</b>	<b>Motor Vehicles</b>	<b>Work in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>			<b>\$</b>
Balance at the beginning of the year	3,048,538	89,854	152,674	-	184,071	3,475,137
Additions	163,487	31,235	86,042	5,645	1,410,489	1,696,898
Transfer from work in progress	39,770	-	-	-	(39,770)	-
Depreciation expense	<u>(150,916)</u>	<u>(21,814)</u>	<u>(61,407)</u>	<u>(659)</u>	<u>-</u>	<u>(234,796)</u>
Balance at end of the year	<u>3,100,879</u>	<u>99,275</u>	<u>177,309</u>	<u>4,986</u>	<u>1,554,790</u>	<u>4,937,239</u>

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTE 4: RIGHT-OF-USE ASSET AND LEASE LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Right-of-use asset</b>		
At cost	1,164,364	1,066,054
Accumulated depreciation	<u>(259,224)</u>	<u>(136,418)</u>
	<u>905,140</u>	<u>929,636</u>
<b>Lease liabilities</b>		
Current	107,722	90,753
Non-current	<u>810,544</u>	<u>822,627</u>
	<u>918,266</u>	<u>913,380</u>

**GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK**


**STATEMENT BY MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Committee has determined that Galilee School operated by Communities@Work 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 2022 and 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 when they fall due.

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

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



James Selkirk  
Treasurer  
Dated: 31/03/2023

**RSM Australia Pty Ltd**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Galilee School operated by Communities@Work for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence within the meaning of regulatory and professional requirements in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM Australia Pty Ltd**



**Rodney Miller**  
Director

Canberra, Australian Capital Territory  
Dated: 31 March 2023

**RSM Australia Pty Ltd**

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**GALILEE SCHOOL**  
**OPERATED BY COMMUNITIES@WORK**

**Opinion**

We have audited the financial report of Galilee School operated by Communities@Work, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Galilee School operated by Communities@Work as at 31 December 2022, and its financial performance and its cash flows 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 Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Galilee School operated by Communities@Work in accordance with 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.

**Basis of Accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the members of Communities@Work. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Other Information**

Those charged with governance are responsible for the other information. The other information comprises the information included in Galilee School operated by Communities@Work's annual report for the year ended 31 December 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is 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 management determines 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, management is responsible for assessing Galilee School operated by Communities@Work'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 Galilee School operated by Communities@Work or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity'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.

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

**RSM Australia Pty Ltd****Rodney Miller**  
DirectorCanberra, Australian Capital Territory  
Dated: 31 March 2023