

**GALILEE SCHOOL
OPERATED BY COMMUNITIES@WORK**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**

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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 organization support expense is levied as an estimate of the costs in providing these services (Note 3).

The operating deficit is reported for 2023 at \$376,404 (\$1,095,415 surplus in 2022) which mainly due to the delay of receiving the capital grant and less recurrent educational funding received from ACT Government than the previous years based on the census data in 2023. The capital project of the new teaching and learning space (Stage 4A) was expected to start the construction in 2023 but delayed to 2024. The school can foresee about 1.5 million of capital grant to be recognized in 2024 with the progress of the Stage 4A capital project. The recovery of the recurrent funding from ACT Education is repaid in according to the census data in 2023. The new Secondary building (Stage3A) is put in use in 2023 leading to a higher depreciation expense and the staff costs has increased by 224k in 2023.

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 2023**

	Note	2023	2022
		\$	\$
Revenue			
Government funding:			
- Commonwealth	2	2,951,839	2,975,229
- ACT	2	636,525	698,131
Capital grants	2	140,733	1,333,842
Other income		40,517	35,893
Total Revenue		<u>3,769,615</u>	<u>5,043,095</u>
Expenses			
Administration costs	3	299,117	323,809
Depreciation and amortisation		424,180	357,604
Employment costs		2,840,871	2,616,086
General expenses		413,928	515,973
Interest expense		29,902	30,358
School building costs		134,949	102,249
Travel costs		3,072	1,601
Total expenses		<u>4,146,019</u>	<u>3,947,680</u>
Surplus/(deficit) before income tax expense		<u>(376,404)</u>	<u>1,095,415</u>
Tax expenses		<u>-</u>	<u>-</u>
Surplus/(deficit) after income tax expense		<u>(376,404)</u>	<u>1,095,415</u>
Other comprehensive income (net of tax)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(376,404)</u></u>	<u><u>1,095,415</u></u>

The accompanying notes form part of these financial statements.

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	2023 \$	2022 \$
Assets			
Current assets			
Accrued income		98,970	-
Prepayments		<u>20,170</u>	<u>14,533</u>
Total current assets		<u>119,140</u>	<u>14,533</u>
Non-current assets			
Property, plant and equipment	4	4,952,531	4,937,239
Right-of-use assets	5	<u>786,876</u>	<u>905,140</u>
Total Non-current assets		<u>5,739,407</u>	<u>5,842,379</u>
Total Assets		<u><u>5,858,547</u></u>	<u><u>5,856,912</u></u>
Liabilities			
Current liabilities			
Trade and other payables		61,460	35,016
Unearned revenue		26,062	142
Lease liabilities	5	93,716	107,722
Leave provision	6	<u>117,441</u>	<u>115,345</u>
Total current liabilities		<u>298,679</u>	<u>258,225</u>
Non-current liabilities			
Lease liabilities	5	729,475	810,544
Net payable to Communities@Work		<u>2,537,873</u>	<u>2,119,219</u>
Total Non-current liabilities		<u>3,267,348</u>	<u>2,929,763</u>
Total Liabilities		<u>3,566,027</u>	<u>3,187,988</u>
Net Assets		<u><u>2,292,520</u></u>	<u><u>2,668,924</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 2023**

2023

	Net Assets
	<u>\$</u>
Balance at the beginning of the year	2,668,924
Net surplus/(deficit) after income tax expense	(376,404)
Other comprehensive income (net of tax)	-
Balance at the end of the year	<u><u>2,292,520</u></u>

2022

	Net Assets
	<u>\$</u>
Balance at the beginning of the year	1,573,508
Net surplus/(deficit) after income tax expense	1,095,415
Other comprehensive income (net of tax)	-
Balance at the end of the year	<u><u>2,668,924</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 2023

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

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The accounting policies adopted are consistent with those from last financial years. There are no new accounting standards adopted within the 2023 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.

The special purpose of the financial statements is presented in Australian dollars which is the school's functional currency. Amounts disclosed relate to the school unless otherwise stated.

This special purpose financial statements of Galilee school have been prepared in accordance with the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The financial statements have been prepared on accruals basis under the historical cost conventions except where specifically stated, value-based measurement of non-current assets.

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 2023, the School's current liabilities (\$298,679) exceeded its current assets (119,140) by \$179,539

The school has been operating with funding support from Communities@work. 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.

Grants income

The school receives funds from Federal Government as well as State and Local government to assist with teaching and school resources and capital funding for school's infrastructure. 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.

Donations and Fundraising

Donations and fundraising are recognised as revenue when the consideration is received. There is no enforceable contract exist between the school and the other parties.

Other revenue

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

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Employee costs

Wages and salaries and on costs are measured at the amount expected to be paid when liability is settled, if it is expected to be settled wholly within 12 months and is recognised in the provision for employee benefits. Liabilities for non-accumulating personal leave are recognised when the leave is taken and measured at the rates payable.

Income tax

Communities@work and by extension the school is regarded as a Charitable Institution for taxation purpose and exempt from income tax under Commonwealth legislation having made no provision for income tax

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.

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. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Assets within a cost in excess of \$2,000 (net GST) are classified as Plant and Equipment.

As at 30 June 2022, 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

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 liability

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.

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.

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023**

Note 2 Government funding and Capital Grants

	2023	2022
	\$	\$
Commonwealth Funding		
AERF 2023	2,636,011	-
AERF 2022	1	2,974,494
Top up transitional funding	307,686	-
School Sports Grant	2,641	735
VET in school 2023	5,500	-
	<u>2,951,839</u>	<u>2,975,229</u>
State Government Funding		
ACT Educational Funding 2023	674,445	-
ACT Educational Funding 2022	8,559	672,262
Recovery Funding 2023	(63,749)	-
National Wellbeing Boost	7,130	-
National Wellbeing Program 2023	10,140	-
National School Chaplaincy Program 2022	-	20,280
VET in school in 2022	-	5,589
	<u>636,525</u>	<u>698,131</u>
Capital Grant		
Commonwealth Grant		
Stage 3A Senior Secondary Building	35,831	913,083
	<u>35,831</u>	<u>913,083</u>
ACT Government Grant		
Stage 4A Teaching and Learning Space	43,900	
Stage 3A Senior Secondary Building	61,002	305,008
Stage 2 Kambah Upgrade of School Infrastructure	-	115,751
	<u>104,902</u>	<u>420,759</u>

NOTE 3: ADMINSTRATIVE COSTS

An organisation support expense of \$299,117 (2022: \$323,809) has been charged as at 31 December 2023 to Galilee School from Communities@Work.

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Property - at cost	5,497,444	3,878,254
Less: accumulated depreciation	<u>(972,160)</u>	<u>(777,375)</u>
	<u>4,525,284</u>	<u>3,100,879</u>
Furniture and equipment - at cost	243,723	191,814
Less: accumulated depreciation	<u>(126,706)</u>	<u>(92,539)</u>
	<u>117,017</u>	<u>99,275</u>
IT Systems - at cost	376,497	312,468
Less: accumulated depreciation	<u>(196,590)</u>	<u>(135,159)</u>
	<u>179,907</u>	<u>177,309</u>
Motor Vehicles - at cost	5,645	5,645
Less: accumulated depreciation	<u>(1,788)</u>	<u>(659)</u>
	<u>3,857</u>	<u>4,986</u>
Work in progress	<u>127,465</u>	<u>1,554,790</u>
	<u><u>4,953,530</u></u>	<u><u>4,937,239</u></u>

NOTE 4: 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:

	Property	Furniture and equipment	IT Systems	Motor Vehicles	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	3,100,879	99,275	177,309	4,986	1,554,790	4,937,239
Additions	61,484	56,326	64,029	-	130,381	312,220
Disposal	-	(4,417)	-	-	-	(4,417)
Transfer from work in progress	1,557,706	-	-	-	(1,557,706)	-
Depreciation expense	<u>(194,785)</u>	<u>(34,167)</u>	<u>(61,431)</u>	<u>(1,129)</u>	<u>-</u>	<u>(291,512)</u>
Balance at end of the year	<u>4,525,284</u>	<u>117,017</u>	<u>179,907</u>	<u>3,858</u>	<u>127,465</u>	<u>4,953,530</u>

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTE 5: RIGHT-OF-USE ASSET AND LEASE LIABILITIES

	2023	2022
	\$	\$
Right-of-use asset		
At cost	1,178,768	1,164,364
Accumulated depreciation	<u>(391,892)</u>	<u>(259,224)</u>
	<u><u>786,876</u></u>	<u><u>905,140</u></u>
 Lease liabilities		
Current	93,716	107,722
Non-current	<u>729,475</u>	<u>810,544</u>
	<u><u>823,191</u></u>	<u><u>918,266</u></u>

NOTE 6: PROVISION FOR EMPLOYEES BENEFITS

	2023	2022
	\$	\$
Provision for annual leave	118,081	115,227
Provision for long service leave	-	-
Provision for purchased leave	<u>(640)</u>	<u>118</u>
	<u><u>117,441</u></u>	<u><u>115,345</u></u>

GALILEE SCHOOL OPERATED BY COMMUNITIES@WORK

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023 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

James Selkirk

Treasurer

Dated: Apr 5, 2024