

**KATHERINE HIGH SCHOOL COUNCIL  
SPECIAL PURPOSE FINANCIAL REPORT  
31 DECEMBER 2008**

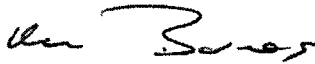
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**KATHERINE HIGH SCHOOL COUNCIL**

**STATEMENT BY THE MANAGEMENT COUNCIL**

In our opinion:

- a) the accompanying financial report as set out on pages 5 to 9, being a special purpose financial report, is drawn up so as to present fairly the state of affairs of the School as at 31 December 2008 and the results of the School for the year ended on that date.
- b) the accounts of the School have been properly prepared and are in accordance with the accounting and other records of the School;
- c) the Council has reasonable grounds to believe that the School will be able to pay its debts as and when they fall due.



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Ken Barnes  
Principal

17/03/09  
Date:



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Bianca Harris  
Registrar

Date: 17/3/09

## **Independent Auditor's Report To the Katherine High School Council**

We have audited the accompanying special purpose financial report of the Katherine High School Council ("the Council"), which comprises the balance sheet as at 31 December 2008, the income statement, and a summary of significant accounting policies.

### **Management Council's Responsibility for the Financial Report**

The Council is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Northern Territory of Australia Education Act and the School's Constitution and are appropriate to meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the School's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Council's financial reporting requirements under the Northern Territory of Australia Education Act and the School's Constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

#### **Independence**

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

#### **Basis for Qualified Auditor's Qualification**

The School only records amounts received from income other than grant income when these amounts are banked, as it is not practical to establish control over such income prior to its initial entry. Our audit relating to such income was therefore limited to ensuring that the amounts banked are properly recorded in the accounts

#### **Qualified Auditor's Opinion**

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation referred to in the above qualification paragraph not existed:

- a) the financial report of the Katherine High School Council presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the Schools' financial position as at 31 December 2008 and of its financial performance as represented by the results of its operations for the year then ended;
- b) we have obtained all necessary information required to audit the accounts; and
- c) guidelines related to the administration of the funds of the Schools have been observed.



Aminul Islam  
Merit Partners

Darwin  
Date: 18 March 2009

# KATHERINE HIGH SCHOOL COUNCIL

## INCOME STATEMENT YEAR ENDED 31 DECEMBER 2008

<b>INCOME</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Commonwealth Grants - via DEET	309,481	275,068
Commonwealth Grants – Direct	370,258	317,005
Other Grants from DEET	899,936	889,714
Dollar for Dollar Funding	6,010	6,000
Other Grants from NTG Department	48,259	128,037
School Council Projects	365,019	343,025
Student Activities	41,583	54,270
Interest Received	25,146	20,943
Miscellaneous Income	4,366	4,044
Inactive Income Accounts	0	168
<b>TOTAL INCOME</b>	<b><u>2,070,058</u></b>	<b><u>2,038,274</u></b>
<b>EXPENDITURE</b>		
Admin IT & Communication	75,989	96,752
Administration Expenditure	63,881	113,242
Cleaning	229,843	188,606
Curriculum	96,339	106,140
Essential Services	226,735	215,709
Grounds	81,984	115,710
Motor Vehicle Expenses	33,166	18,691
Other	21,396	17,337
Other Administrative Expenses	0	1,524
Repairs and Maintenance	62,211	81,962
Salaries & Related Expenses	740,085	715,510
School Council Projects	266,335	144,349
School General Expenditure	91,989	91,039
Student Activities	151,754	93,556
Student Information Technology	38,299	53,829
<b>TOTAL EXPENDITURE</b>	<b><u>2,180,006</u></b>	<b><u>2,053,956</u></b>
<b>NET INCOME (LOSS)</b>	<b><u>(109,948)</u></b>	<b><u>(15,682)</u></b>

The Income Statement should be read in conjunction with the accompanying notes

**KATHERINE HIGH SCHOOL COUNCIL**

**BALANCE SHEET  
AT 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	<b>245,481</b>	305,869
Trade and other receivables	3	<b>14,041</b>	52,956
Prepayments and Other Assets		<b>7,414</b>	6,652
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>266,936</b>	365,477
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>266,936</b>	365,477
<b>CURRENT LIABILITIES</b>			
Trade Creditors and Other Payables	4	<b>107,890</b>	102,752
Accruals		<b>39,132</b>	32,863
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>147,022</b>	135,615
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>147,022</b>	135,615
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>119,914</b>	229,862
		<hr/>	<hr/>
<b>ACCUMULATED FUNDS</b>			
Balance at beginning of the year		<b>229,862</b>	245,544
Surplus/(Deficit) for the year		<b>(109,948)</b>	(15,682)
		<hr/>	<hr/>
<b>Balance at the end of the year</b>		<b>119,914</b>	229,862
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The Balance Sheet should be read in conjunction with the accompanying notes.

# KATHERINE HIGH SCHOOL COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 31 DECEMBER 2008

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **a) Basis of accounting**

The Council have determined that the School is not a reporting entity and accordingly this financial report is a special purpose financial report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The Council have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

The following specific accounting policies, which are consistent with the previous period have been adopted in the preparation of this financial report:

#### **b) Taxation**

The Council believes that the School is not subject to taxation under existing income tax legislation.

#### **c) Cash and cash equivalents**

Cash and cash equivalents includes notes and coins held, advances made and any deposits with a bank or financial institution held at call or with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Cash is recognised at its nominal amount.

#### **d) Acquisition of Assets**

As is consistent with the practice across Northern Territory Government agencies, property, plant and equipment as defined by Section 13 of the Education (College and Schools Councils) Regulations under the Education Act as being the property of the Council, with a value greater than or equal to \$5,000 are considered to be capital items. These items are recorded at cost, and, in accordance with a policy decision by the Department of Employment, Education and Training, are depreciated at a rate of 15% on a straight line basis.

#### **(e) Trade and other receivables**

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for impairment is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

#### **(f) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and arise when the School becomes obliged to make future in respect of the purchase of these goods and services.

# **KATHERINE HIGH SCHOOL COUNCIL**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 31 DECEMBER 2008**

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)**

#### **g) Employee Entitlements**

Provision is made for the liability for employee entitlements arising from services rendered to balance date those employees for whom the School is responsible. These benefits include wages and salaries, annual leave and long service leave. Sick leave is non-vesting and has not been provided for. Employee entitlements have been measured at their nominal amount.

#### **h) Grants**

Grant monies are recorded in the Income Statement when received.

#### **i) Economic Dependence**

The future operation of the Council is dependent on continued Territory and Commonwealth Government funding. The financial report of Council has been prepared on a going concern basis on the assumption that such funding will continue.

#### **j) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

**KATHERINE HIGH SCHOOL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
31 DECEMBER 2008**

<b>NOTE 2. CASH AND CASH EQUIVALENTS</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
CBA Cheque Account	54,482	137,858
Excursion Account	1,446	0
Cash Management Account	88,694	67,511
Commercial Bill	100,359	100,000
Cash on Hand	500	500
	<u>245,481</u>	<u>305,869</u>
<b>NOTE 3. RECEIVABLES</b>		
Trade Debtors	949	1,324
Deposits Held – NTG Schools	3,045	42,646
Other Receivables	10,047	8,986
	<u>14,041</u>	<u>52,956</u>
<b>NOTE 4. TRADE AND OTHER PAYABLES</b>		
Trade creditors	42,973	54,552
Deposits Held – Third Parties	60,825	43,394
Deposits Held – NTG Schools	7,465	9,306
Other creditors	225	0
GST payable/(refundable)	(3,598)	(4,500)
	<u>107,890</u>	<u>102,752</u>
<b>NOTE 5. DOLLAR FOR DOLLAR FUNDING ACQUITTAL</b>		
<b>Income</b>		
Dollar for Dollar Funding	6,010	6,000
Fundraising	1,335	6,297
	<u>7,345</u>	<u>12,297</u>
<b>Expenses</b>		
Approved Dollar for Dollar Expenditure	6,819	16,948
	<u>6,819</u>	<u>16,948</u>
<b>Net (Deficit)/Surplus</b>	<u>526</u>	<u>(4,651)</u>