

10th March 2022

PRIVATE & CONFIDENTIAL

Katherine High School
Grevillea Road
KATHERINE EAST NT 0850

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180 Greenhill Road
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Dear those charged with governance

**MANAGEMENT LETTER FOR YEAR ENDED 31 DECEMBER
2021**

We write concerning our audit of the Katherine High School for the year ended 31 December 2021.

During our audit we did not identify any issues which we believe should be brought to your attention.

Due to the test nature of all audits, together with the inherent limitations of any system of internal control, it is possible that some material internal control weakness may exist but are not necessarily disclosed. It is the responsibility of management to ensure that an adequate system of internal control is in operation.

Please do not hesitate to contact the undersigned or Ryan Armes of the Alice Springs office should you wish to discuss this letter further.

Yours faithfully,
PERKS AUDIT & ASSURANCE



P J Hill
Partner
Enc

Chartered Accountants
Perks & Associates Pty Ltd
ACN 008 053 576 / ABN 50 507 079 554
Liability limited by a scheme approved under Professional Standards Legislation.

Audit
Perks Audit Pty Ltd
ACN 109 602 100 / ABN 20 173 474 661
Liability limited by a scheme approved under Professional Standards Legislation.

Private Wealth
Perks Private Wealth Pty Ltd
ACN 086 643 058 / ABN 88 086 643 058
Australian Financial Services
Licence No. 236 551

Finance
Perks Finance Pty Ltd
ACN 101 919 537 / ABN 76 533 199 660
Australian Credit Licence No. 378241

Katherine High School Council Incorporated

Financial Statements

For the Year Ended 31 December 2021

Katherine High School Council Incorporated

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For the Year Ended 31 December 2021

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Katherine High School Council Incorporated

Statement of Profit or Loss

For the Year Ended 31 December 2021

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| INCOME | | |
| Grants | 3,042,781 | 1,505,321 |
| School council | 371,549 | 394,769 |
| Student activities | 11,856 | 7,323 |
| Interest income | 111 | 815 |
| TOTAL INCOME | 3,426,297 | 1,908,228 |
| EXPENSES | | |
| Salary and wages | 611,636 | 515,365 |
| Essential Services | 427,280 | 401,818 |
| Repairs and maintenance | 236,597 | 343,438 |
| General expenses | 318,672 | 165,397 |
| IT expenses | 284,852 | 89,260 |
| Student activities | 42,802 | 153,017 |
| Non-core activities | 205,928 | 172,389 |
| Curriculum | 149,864 | 94,194 |
| Cleaning | 103,974 | 107,050 |
| Motor vehicle expenses | 69,732 | 48,042 |
| Superannuation | 59,284 | 48,914 |
| Administration costs | 77,938 | 79,899 |
| Grounds | 78,293 | 37,141 |
| Depreciation | 7,104 | 10,576 |
| Payments to other government entities | 388,502 | 185,312 |
| TOTAL EXPENSES | 3,062,458 | 2,451,812 |
| Surplus / (deficit) from ordinary activities | 363,839 | (543,584) |
| Retained surplus at the beginning of the financial year | 209,569 | 753,153 |
| Retained surplus at the end of the financial year | 573,408 | 209,569 |

The accompanying notes form part of these financial statements.

Katherine High School Council Incorporated

Assets and liabilities statement

As At 31 December 2021

| | 2021 | 2020 |
|----------------------------------|------------------|----------------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 1,182,461 | 553,448 |
| Trade and other receivables | 15,730 | 1,714 |
| Inventories | 28,815 | 33,484 |
| Prepayments | 1,588 | 1,082 |
| TOTAL CURRENT ASSETS | 1,228,594 | 589,728 |
| NON-CURRENT ASSETS | | |
| Plant and equipment | 22,443 | 18,211 |
| TOTAL NON-CURRENT ASSETS | 22,443 | 18,211 |
| TOTAL ASSETS | 1,251,037 | 607,939 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 280 | - |
| Employee benefits | - | 476 |
| Unexpended grants | 634,383 | 365,483 |
| Other accruals | 42,966 | 32,411 |
| TOTAL CURRENT LIABILITIES | 677,629 | 398,370 |
| NON-CURRENT LIABILITIES | | |
| TOTAL LIABILITIES | 677,629 | 398,370 |
| NET ASSETS | 573,408 | 209,569 |
| MEMBERS' FUNDS | | |
| Retained surplus | 573,408 | 209,569 |
| TOTAL MEMBERS' EQUITY | 573,408 | 209,569 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Education Act of the Northern Territory. The school management has determined that the school is not a reporting entity because in the opinion of the school management there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all their information needs. Accordingly, these special purpose financial statements have been prepared in order to satisfy the financial reporting requirements of the Northern Territory of Australia Education Act.

The financial report has been prepared on an accruals 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 significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Income Tax

The accounts have been prepared on the basis that the school is not subject to income tax.

(c) Revenue and other income

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).

(d) Teachers' Salaries

General teachers' salaries are paid directly from the NT Department of Education and are therefore not included in this financial report.

(e) Economic dependence

Katherine High School Council Incorporated is dependent on the Northern Territory 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 Northern Territory Government will not continue to support Katherine High School Council Incorporated.

Katherine High School Council Incorporated

Statement by Management

The school management have determined that the school is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the school management the financial report as set out on pages 1-3:

1. Presents fairly the financial position of Katherine High School Council Incorporated as at 31 December 2021 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Katherine High School Council Incorporated will be able to pay its debts as and when they fall due.
3. The School has, in respect of the financial year, kept accounting records which correctly record and explain its transaction and financial position of the school.
4. All grants have been used for the approved activity as outlined by each grant's guidelines.
5. Where a grant asset costing over \$10,000 has been acquired with grant funds, the asset has been included on the asset register.
6. The attached financial statements and independent audit report have been presented to and accepted by the members of the school council.

This statement is made on behalf of the school management by:


.....
Principal


.....
Business Manager

Dated this ^{9th} day of March 2022

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Parkside SA 5063

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Katherine High School Council Incorporated

Independent Audit Report to the members of Katherine High School Council Incorporated

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report of Katherine High School Council Incorporated (the school), which comprises the statement of assets and liabilities as at 31 December 2021, the statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and statement by management.

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 school for the year ended 31 December 2021 is prepared, in all material respects, in accordance with the Northern Territory Education Act. ("the Act")

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Katherine High School 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 school 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 school in meeting the requirements of the Act. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the school and should not be distributed to or used by parties other than the school. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance

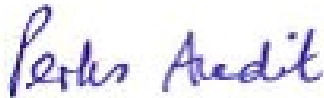
Management is responsible for the preparation and fair presentation of the financial report in accordance with the Northern Territory Education Act, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the school '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 school or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the school '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 Pty
Suite 7, Alice Springs Business Centre
8 Gregory Terrace
Alice Springs NT 0871



Peter Hill
Director
Registered Company Auditor

Dated the 10th day of March 2022