

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

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FOR THE YEAR ENDED 31 DECEMBER 2022

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EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

Pursuant to Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Eastern Riverina Arts Incorporated, we declare that, to the best of our knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**National Audits Group Pty Ltd
Authorised Audit Company**



**Chang Chow
Registered Company Auditor**

Dated 21 April 2023

Wagga Wagga

EASTERN RIVERINA ARTS INCORPORATED
ABN: 93 195 464 075

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		\$	\$
Revenue	4	399,023	793,975
Interest income		304	751
		<u>399,327</u>	<u>794,726</u>
Less: Expenses			
Artist fees		74,897	285,518
Consultant and speaker fees		8,236	19,345
Depreciation		18,616	25,692
Employee benefits expense		219,952	220,438
Insurance		6,552	6,146
Other expenses	5	41,767	71,320
Rental outgoings		14,131	15,606
Website and advertising		9,662	21,020
		<u>5,514</u>	<u>129,641</u>
Profit for the year		5,514	129,641
Income tax expense	2(a)	-	-
Other comprehensive income, net of income tax		-	-
		<u>5,514</u>	<u>129,641</u>
Total comprehensive income for the year		<u><u>5,514</u></u>	<u><u>129,641</u></u>

The accompanying notes form part of these financial statements.

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	244,364	380,997
Trade and other receivables	7	70,675	1,637
Other financial assets	8	395,650	154,362
Other assets		1,000	2,192
TOTAL CURRENT ASSETS		711,689	539,188
NON-CURRENT ASSETS			
Property, plant and equipment	9	39,332	46,559
TOTAL NON-CURRENT ASSETS		39,332	46,559
TOTAL ASSETS		751,021	585,747
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	10	30,333	21,587
Employee benefits	11	20,072	12,440
Contract liabilities	12	320,021	176,639
TOTAL CURRENT LIABILITIES		370,426	210,666
TOTAL LIABILITIES		370,426	210,666
NET ASSETS		380,595	375,081
EQUITY			
Retained earnings		380,595	375,081
TOTAL EQUITY		380,595	375,081

The accompanying notes form part of these financial statements.

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Retained earnings at the beginning of the year	375,081	245,440
Profit for the year	5,514	129,641
Retained earnings at the end of the year	<u>380,595</u>	<u>375,081</u>

The accompanying notes form part of these financial statements.

EASTERN RIVERINA ARTS INCORPORATED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	9,512	203,023
Payment to suppliers and employees	(353,051)	(686,224)
Receipts from government grants	463,855	477,773
Government subsidies received (COVID-19)	-	49,946
Interest received	304	751
Net cash provided by operating activities	<u>120,620</u>	<u>45,269</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(11,389)	(1,090)
Payment for perpetual funds	(100,000)	-
Net cash used in investing activities	<u>(111,389)</u>	<u>(1,090)</u>
Net increase in cash and cash equivalents held	9,231	44,179
Cash and cash equivalents at beginning of year	535,359	491,180
Cash and cash equivalents at end of financial year	6(a) <u>544,590</u>	<u>535,359</u>

The accompanying notes form part of these financial statements.

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The financial statements cover Eastern Riverina Arts Incorporated as an individual entity. Eastern Riverina Arts Incorporated is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016*.

The principal activities of the Association for the year ended 31 December 2022 were to provide assistance and support to local artists and local councils in the Riverina.

The functional and presentation currency of Eastern Riverina Arts Incorporated is Australian dollars (\$AUD). All amounts reported have been rounded to the nearest dollar.

1 BASIS OF PREPARATION

The Board have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Charities and Not-for-profits Commission Regulation 2013*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs. Comparatives are consistent with prior years, subject to those which have changed from a presentation perspective, as required on application of new accounting standards and interpretations adopted during the year.

The Association has term deposits with fixed maturities greater than 3 months which have been previously recognised as cash and cash equivalent in 2021 and reclassified as other financial assets in 2022 financial statements.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

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

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(b) Revenue and other income

Revenue from contracts with customers

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

All revenue is stated net of the amount of goods and services tax (GST).

Income of Not-for-Profit Entities

Under AASB 1058 *Income of Not-for-Profit Entities*, the Association recognises revenue on a basis that reflects the fair value of goods, services, and assets (such as cash, inventories and property, plant and equipment), which have been provided or transferred to the Association for nil or nominal consideration, and is deemed to further the objectives of the Association.

Grant revenue

Grant revenue derived is recognised on delivery of services in accordance with the milestone/activities of the Funding Agreement. Funding received in advance will be set aside as unearned income as contract liabilities in the statement of financial position.

Rendering of services

Contract revenue depends on whether the Association has fulfilled its performance obligation as outlined in the initial terms of the agreement with the customer.

When a performance obligation is satisfied by completing contractual obligations for the customer before the customer pays consideration or the before payment is due, the Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association recognises a receivable.

Local government membership income

Membership income is recognised on an accruals basis when the Association has met its specific performance obligations relating to the generated income.

Other income

Other income is recognised on an accruals basis when the Association has met its specific performance obligations relating to the generated income.

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on an inclusive basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20%
Motor Vehicles	25%
Computer Equipment	33%

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

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets at fair value through profit or loss

The Association has perpetual funds which are designated as other financial assets at fair value through profit and loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. The Association has term deposits with fixed maturities greater than 3 months which have been recognised as other financial assets in the statement of financial position.

Financial liabilities

The Association's financial liability includes trade and other payables which are measured at amortised cost using the effective interest rate method.

(i) Impairment of Financial Assets

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cashgenerating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Leases

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Employee benefits

A liability is made for the Association's employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(i) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(i) Economic dependence

Eastern Riverina Arts Incorporated is dependent on Government Funding from the NSW Department of Premier and Cabinet for the majority of its revenue used to operate the business. At the date of this report the Board have no reason to believe the government will not continue to support Eastern Riverina Arts Incorporated.

In the opinion of the Board, the Association has adequate cash reserves to support the continued level of operations for at least the next 12 months after the reporting date.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Board make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
4 REVENUE AND OTHER INCOME		
Revenue from contracts with customers		
Grant revenue		
- Create NSW Multi-year	217,000	168,000
- Arbour festival	-	89,129
- Arts restart grant	-	171,234
- Create space grant	96,468	95,509
- Indigenous language and arts grant	15,099	60,931
- Other grant income	14	33,944
- Platform - NDIS funding (capital)	-	13,008
- Tarcutta mural project	-	30,000
Local Government Memberships	62,234	61,801
Other Income	8,208	20,473
	<u>399,023</u>	<u>744,029</u>
Revenue recognised on receipt		
Government subsidies (COVID-19)	-	49,946
	<u>399,023</u>	<u>793,975</u>
5 AUDITORS' REMUNERATION		
Remuneration of the auditor National Audits Group Pty Ltd, for:		
- auditing and assisting with compilation of the financial statements	<u>6,500</u>	<u>6,000</u>

EASTERN RIVERINA ARTS INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
		\$	\$
6 CASH AND CASH EQUIVALENTS			
	Note		
Cash at bank		241,070	377,703
Cash at bank - public fund	6(b)	3,294	3,294
		244,364	380,997
		244,364	380,997

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		244,364	380,997
Other financial asset		300,226	154,362
		544,590	535,359
Balance as per statement of cash flows		544,590	535,359

(b) Cash at bank - public fund

(a) A separate bank account was opened in November 2021 to meet the requirement of the public fund as outlined in Clause 45(1) of the Constitution "The Organisation will establish and maintain a public fund". Furthermore, Clause 45(2) states "these monies will be kept separate from other funds of the Organisation and will only be used to further the principal purpose of the Organisation" hence, public fund is considered as restricted cash.

7 TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables		70,675	1,637
		70,675	1,637
		70,675	1,637

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

In the current year, the Association entered into a grant agreement with Department of Enterprise, Investment and Trade for Arts & Cultural Funding Program and met the special conditions specified in the grant agreement. On 28 December 2022, the Association invoiced the Department for the eligible funding amount of \$65,175 and is included in the trade receivables as at year end.

8 OTHER FINANCIAL ASSETS

CURRENT

Perpetual funds		95,424	-
Short-term deposits		300,226	154,362
		395,650	154,362
		395,650	154,362

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
9 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Plant and equipment		
At cost	79,356	70,057
Accumulated depreciation	(52,647)	(38,636)
	<u>26,709</u>	<u>31,421</u>
Motor vehicles		
At cost	27,680	27,680
Accumulated depreciation	(20,000)	(20,000)
	<u>7,680</u>	<u>7,680</u>
Computer equipment		
At cost	18,033	15,943
Accumulated depreciation	(13,090)	(8,485)
	<u>4,943</u>	<u>7,458</u>
	<u>39,332</u>	<u>46,559</u>
10 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	<u>30,333</u>	<u>21,587</u>
Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.		
11 EMPLOYEE BENEFITS		
CURRENT		
Annual leave	<u>20,072</u>	<u>12,440</u>
12 CONTRACT LIABILITIES		
CURRENT		
Funding received in advance	<u>320,021</u>	<u>176,639</u>

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13 EVENTS OCCURRING AFTER THE REPORTING DATE

On March 2023, the Association entered into a one-year license agreement with Wagga Wagga City Council to lease a property in 54 - 58 Johnson Street, Wagga Wagga from 3 April 2023 until 2 April 2024 with an option to renew for another 3 years. The lease property will operate as a creative industries hub featuring galleries, workspaces and artist studios and will be called as 'The Ambo'. This will bring in new income streams for the Association and is expected to incur significant costs as well. To cover the expected costs, the Association entered into two funding agreement as follows:

- On 21 February 2023, the Association was granted a funding from Create NSW for 'The Ambo' Creative Industries fit out amounting to \$250,000
- On 16 March 2023, the Association received another grant funding from Regional NSW for Open Doors at The Ambo Creative Industries Hub program amounting to a total of \$563,282 for 3 years. This program aims to jump-start the utilisation, engagements and community impact of The Ambo, a brand new community facility opening in Wagga Wagga in 2023.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

EASTERN RIVERINA ARTS INCORPORATED

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DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2022

The responsible persons declare that in the responsible persons' opinion:

- (i) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (ii) the financial statements and notes satisfy the requirements of the relevant Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016*.

This statement is made in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Responsible person 
Anne Lowe

Responsible person 
Craig Richardson

Dated 21 April 2023

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements, being special purpose financial statements of Eastern Riverina Arts Incorporated (the Association), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial statements present fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with the relevant Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Charities and Not-for-profits Commission Regulation 2013*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016*.

Basis for Opinion

We have 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 Statements* section of our report. We are independent of the Association in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 statements 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 - Basis of Preparation

We draw attention to Note 1 of the financial statements, which describes the basis of preparation. The financial statements have been prepared to assist the Association to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Charities and Not-for-profits Commission Regulation 2013*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the relevant Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012*, *Australian Charities and Not-for-profits Commission Regulation 2013*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2016* and for such internal control as the Board determines is necessary to enable the preparation of the financial statements to be free from material misstatement, whether due to fraud or error.

EASTERN RIVERINA ARTS INCORPORATED
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INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Responsibilities of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so. The Board is also responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 the financial statements.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements removes the underlying transactions and events in a manner that achieves fair presentation.

EASTERN RIVERINA ARTS INCORPORATED

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

National Audits Group Pty Ltd
Authorised Audit Company



Chang Chow
Registered Company Auditor

Dated 21 April 2023

Wagga Wagga

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

DISCLAIMER**FOR THE YEAR ENDED 31 DECEMBER 2022**

The additional financial data presented on pages 20 and 21 are in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 31 December 2022. It should be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data, and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Eastern Riverina Arts Incorporated) in respect of such data, including any errors of omissions therein however caused.

National Audits Group Pty Ltd
Authorised Audit Company



Chang Chow
Registered Company Auditor

Dated 21 April 2023

Wagga Wagga

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Income		
Arbour Festival funding	-	89,129
Arbour Festival funding	-	89,129
Arts restart funding	-	171,234
Artstate funding	-	4,001
Ash Dust Air funding	14	289
Box office	5,000	14,849
Create NSW core funding	217,000	168,000
Government subsidies (COVID-19)	-	49,946
Indigenous language and arts grant	15,099	60,931
Interest income	304	751
Local Government Memberships	62,234	61,801
Other grant income	96,468	106,847
Other income	3,208	5,624
Platform - NDIS funding (capital)	-	13,008
Platform - NDIS funding (operating)	-	18,316
Tarcutta mural project	-	30,000
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	399,327	794,726
Less: Expenses		
Artist fees	75,070	229,243
Auditor's remuneration	9,530	7,670
Board expenses	1,167	996
Bookkeeping	6,854	9,155
Cleaning	-	3,060
Computer expenses	5,403	3,083
Conferences and professional development	1,342	1,475
Consultant and speaker fees	8,236	19,345
Depreciation	18,616	25,692
Electricity	-	1,475
Employee benefits expense	219,952	220,438
Insurance	4,449	4,153
Unrealised loss on perpetual funds	4,578	-
Motor vehicle expenses	5,355	3,581
Office expenses	295	2,647
Postage, printing and stationery	118	389
Production expenses	3,765	81,882
Promotion and marketing	9,662	27,548

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Expenses (Continued)		
Rental outgoings	14,131	15,606
Sundry expenses	703	1,061
Telephone	462	1,491
Travel expenses	4,125	5,095
	<u>(393,813)</u>	<u>(665,085)</u>
Profit for the year	<u>5,514</u>	<u>129,641</u>