

# **EASTERN RIVERINA ARTS INCORPORATED**

**ABN: 93 195 464 075**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## CONTENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>Financial Statements</b>	<b>Page</b>
Auditor's Independence Declaration	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Responsible Persons' Declaration	15
Independent Auditor's Report	16
Disclaimer	19
Profit and Loss Account	20

**EASTERN RIVERINA ARTS INCORPORATED**

**ABN: 93 195 464 075**

**AUDITOR'S INDEPENDENCE DECLARATION**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020, 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*

**Chang Chow**  
**Registered Company Auditor**

**Dated 8 April 2021**

**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 2020

		2020	2019
	Note	\$	\$
Revenue	4	644,661	547,938
Interest income		1,780	5,381
		<hr/>	<hr/>
		646,441	553,319
<b>Less: Expenses</b>			
Artist Fees		96,199	8,136
Auditor's remuneration	5	6,500	4,500
Board expenses		4,383	6,975
Bookkeeping		9,795	5,108
Conference and Professional development		1,130	1,936
Consultant and speaker fees		2,311	104,498
Depreciation		38,834	25,431
Equipment and Staging		-	88,948
Employee benefits expense		278,139	168,744
Insurance		5,976	5,274
Other Expenses		33,721	34,973
Platform project expenses		103,296	-
Rental Outgoings		-	9,917
Travel and Accommodation		4,467	16,344
Website and Advertising		13,776	7,170
		<hr/>	<hr/>
<b>Profit for the year</b>		47,914	65,365
Income tax expense	2(a)	-	-
Other comprehensive income, net of income tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<u>47,914</u>	<u>65,365</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 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	491,180	405,615
Trade and other receivables	7	169,123	2,763
Other assets		3,091	4,248
<b>TOTAL CURRENT ASSETS</b>		<b>663,394</b>	<b>412,626</b>
<b>NON-CURRENT ASSETS</b>			
Right-of use asset	8	1,502	18,958
Property, plant and equipment	9	68,043	76,431
<b>TOTAL NON-CURRENT ASSETS</b>		<b>69,545</b>	<b>95,389</b>
<b>TOTAL ASSETS</b>		<b>732,939</b>	<b>508,015</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	10	45,802	42,050
Employee benefits	11	20,414	5,515
Contract Liabilities	12	407,358	231,344
Lease liabilities	13	1,502	17,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>475,076</b>	<b>296,409</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	11	12,423	12,622
Lease liabilities	13	-	1,458
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,423</b>	<b>14,080</b>
<b>TOTAL LIABILITIES</b>		<b>487,499</b>	<b>310,489</b>
<b>NET ASSETS</b>		<b>245,440</b>	<b>197,526</b>
<b>EQUITY</b>			
Retained earnings		245,440	197,526
<b>TOTAL EQUITY</b>		<b>245,440</b>	<b>197,526</b>

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 2020

	2020	2019
	\$	\$
<b>Retained earnings at the beginning of the year</b>	197,526	132,161
Profit for the year	47,914	65,365
<b>Retained earnings at the end of the year</b>	<u>245,440</u>	<u>197,526</u>

The accompanying notes form part of these financial statements.

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	186,808	38,711
Payments to suppliers and employees	(557,803)	(543,701)
Receipts from government grants	395,465	537,415
Interest received	1,780	5,381
Government subsidies received (COVID-19)	72,042	-
<b>Net cash provided by operating activities</b>	<u>98,292</u>	<u>37,806</u>
14		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(12,727)</u>	<u>(52,183)</u>
<b>Net cash used in investing activities</b>	<u>(12,727)</u>	<u>(52,183)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>Net increase/(decrease) in cash and cash equivalents held</b>	85,565	(14,377)
Cash and cash equivalents at beginning of year	<u>405,615</u>	<u>419,992</u>
<b>Cash and cash equivalents at end of financial year</b>	<u>491,180</u>	<u>405,615</u>
6		

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 2020

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 2020 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 historic costs.

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) Leases

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease.



# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Association has elected to exercise the exemption available to short-term and low-value leases. Leases that are exempt have not been recognised as a right-of-use asset or lease liability and will be recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-term basis over the term of the lease.

A lease agreement for the premises located at 98 Fitzmaurice Street, Wagga Wagga NSW 2650 commenced on 1 August 2019 and expires 31 January 2021. The lease agreement does not contain an option to extend the lease for a further term. Rental outgoings are payable monthly in advance with payments increasing by a fixed rate of 3% annually.

#### (c) 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. 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.

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (c) Revenue and other income

##### 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 is has met its specific performance obligations relating to the generated income.

##### Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### Other income

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

#### (d) 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.

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (e) 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:

Furniture, Fixtures and Fittings	100%
Motor Vehicles	25%
Computer Equipment	25% - 100%

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.

#### (f) Cash and cash equivalents

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

#### (g) 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.

#### (h) 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 Justice 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.

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 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.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

	2020	2019
	\$	\$

### 4 REVENUE AND OTHER INCOME

#### **Revenue from contracts with customers**

Grant revenue

- Create NSW Multi-year	140,000	140,000
- Indigenous language and arts grant	101,557	4,830
- Other grant income	134,729	2,879
- Platform - NDIS funding (capital)	1,382	67,375
- Platform - NDIS funding (operating)	118,445	268,143
Local Government Memberships	60,589	59,284
Other Income	5,117	5,427

	<u>561,819</u>	<u>547,938</u>
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#### **Revenue recognised on receipt**

Government subsidies (COVID-19)

	<u>82,842</u>	-
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	<u><u>644,661</u></u>	<u><u>547,938</u></u>
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# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>5 AUDITORS' REMUNERATION</b>		
Remuneration of the auditor National Audits Group Pty Ltd, for the:		
- audit and preparation of the financial statements	<u>6,500</u>	<u>4,500</u>
<b>6 CASH AND CASH EQUIVALENTS</b>		
CURRENT		
Cash on hand	200	200
Cash at bank	337,369	253,703
Short-term deposits	<u>153,611</u>	<u>151,712</u>
	<u><u>491,180</u></u>	<u><u>405,615</u></u>
<b>7 TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Trade receivables	<u>169,123</u>	<u>2,763</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.		
<b>8 RIGHT-OF-USE ASSETS</b>		
NON-CURRENT		
Right-of-use asset - at cost	26,513	26,250
Accumulated depreciation	<u>(25,011)</u>	<u>(7,292)</u>
	<u><u>1,502</u></u>	<u><u>18,958</u></u>

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
NON-CURRENT		
Capital works in progress		
Plant and equipment		
At cost	70,057	70,057
Accumulated depreciation	(23,581)	(10,106)
	46,476	59,951
Motor vehicles		
At cost	27,680	27,680
Accumulated depreciation	(17,719)	(12,719)
	9,961	14,961
Computer equipment		
At cost	14,853	2,126
Accumulated depreciation	(3,247)	(607)
	11,606	1,519
<b>(a) Movements in carrying amounts of property, plant and equipment</b>	<b>68,043</b>	<b>76,431</b>

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

	Plant and Equipment	Motor Vehicles	Computer Equipment	Total
<b>Year ended 31 December 2020</b>				
Balance at the beginning of year	59,951	14,961	1,519	76,431
Additions	-	-	12,727	12,727
Depreciation expense	(13,475)	(5,000)	(2,640)	(21,115)
<b>Balance at the end of the year</b>	<b>46,476</b>	<b>9,961</b>	<b>11,606</b>	<b>68,043</b>

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>10 TRADE AND OTHER PAYABLES</b>		
CURRENT		
Trade payables	45,802	42,050
	<u>45,802</u>	<u>42,050</u>
<p>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.</p>		
<b>11 EMPLOYEE BENEFITS</b>		
CURRENT		
Provision for annual leave	20,414	5,515
	<u>20,414</u>	<u>5,515</u>
NON-CURRENT		
Provision for long service leave	12,423	12,622
	<u>12,423</u>	<u>12,622</u>
<b>12 CONTRACT LIABILITIES</b>		
CURRENT		
Funding received in advance	407,358	231,344
	<u>407,358</u>	<u>231,344</u>
<b>13 LEASE LIABILITIES</b>		
CURRENT		
Lease liabilities	1,502	17,500
	<u>1,502</u>	<u>17,500</u>
NON-CURRENT		
Lease liabilities	-	1,458
	<u>-</u>	<u>1,458</u>

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>14 CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of result for the year to cashflows from operating activities</b>		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	47,914	65,365
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- capital asset depreciation	21,115	15,713
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(166,360)	2,460
- (increase)/decrease in other assets	1,157	574
- increase/(decrease) in trade and other payables	3,752	(65,186)
- (increase)/decrease in contract liabilities	176,014	25,728
- increase/(decrease) in employee benefits	14,700	(6,848)
Cashflows from operations	<u>98,292</u>	<u>37,806</u>

## 15 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may 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

ABN: 93 195 464 075

## RESPONSIBLE PERSONS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2020

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 8 April 2021

## **EASTERN RIVERINA ARTS INCORPORATED**

**ABN: 93 195 464 075**

### **INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **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 2020, 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 2020 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 Management 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**

**ABN: 93 195 464 075**

### **INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Responsibilities of Management 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**

**ABN: 93 195 464 075**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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*

**Chang Chow**  
**Registered Company Auditor**

**Dated 8 April 2021**

**Wagga Wagga**

**EASTERN RIVERINA ARTS INCORPORATED**

**ABN: 93 195 464 075**

**DISCLAIMER**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

The additional financial data presented on page 22 is 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 2020. 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*

**Chang Chow**  
**Registered Company Auditor**

**Dated 8 April 2021**

**Wagga Wagga**

# EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
<b>Income</b>		
Arbour Festival funding	36,628	-
Artstate funding	51,572	-
Ash Dust Air funding	11,290	-
Box office	(145)	3,338
Create NSW core funding	140,000	140,000
Government subsidies (COVID-19)	82,842	-
Indigenous language and arts grant	101,557	4,830
Interest Income	1,780	5,381
Local government memberships	60,589	59,284
Other grant income	17,022	2,879
Other income	5,262	2,089
Platform - NDIS funding (capital)	1,382	67,375
Platform - NDIS funding (operating)	136,662	268,143
	<u>646,441</u>	<u>553,319</u>
<b>Less: Expenses</b>		
Artist fees	87,819	6,426
Auditor's remuneration	6,500	4,500
Board expenses	4,383	6,975
Bookkeeping	9,795	5,108
Cleaning	3,196	3,606
Computer expenses	3,836	3,716
Conferences and professional development	1,130	1,936
Consultant and speaker fees	2,311	104,498
Depreciation	38,834	23,005
Electricity	2,086	2,298
Employee benefits expense	278,139	168,744
Insurance	3,976	3,317
Motor vehicle expenses	4,925	6,432
Office expenses	209	847
Platform project expenses	103,296	-
Postage, printing and stationery	186	619
Production expenses	20,964	98,303
Promotion and marketing	17,336	11,483
Rental outgoings	-	9,917
Staff amenities	25	434
Sundry expenses	2,923	6,751
Telephone	2,191	2,695
Travel expenses	4,467	16,344
	<u>598,527</u>	<u>487,954</u>
<b>Profit for the year</b>	<u>47,914</u>	<u>65,365</u>