

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

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FOR THE YEAR ENDED 31 DECEMBER 2019

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EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, 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



Steven J Watson
Managing Director

Dated: 8 April 2020

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 2019

		2019	2018
	Note	\$	\$
Revenue	4	553,319	350,632
Less: Expenses			
Artist Fees		8,136	500
Auditor's remuneration	5	4,500	4,100
Board expenses		6,975	3,012
Bookkeeping		5,108	5,145
Conference and Professional development		1,936	1,587
Consultant and speaker fees		104,498	16,827
Depreciation		25,431	6,787
Equipment and Staging		88,948	1,106
Employee benefits expense		168,744	140,302
Insurance		5,274	6,058
Other Expenses		34,973	23,410
Platform project expenses		-	81,080
Rental Outgoings		9,917	17,000
Travel and Accommodation		16,344	12,798
Website and Advertising		7,170	6,249
Profit for the year		65,365	24,671
Income tax expense	2(b)	-	-
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		65,365	24,671

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 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	405,615	419,992
Trade and other receivables	7	2,763	-
Other assets		4,248	4,249
TOTAL CURRENT ASSETS		412,626	424,241
NON-CURRENT ASSETS			
Right-of use asset	8	18,958	-
Property, plant and equipment	9	76,431	39,961
TOTAL NON-CURRENT ASSETS		95,389	39,961
TOTAL ASSETS		508,015	464,202
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	10	42,050	101,440
Employee benefits	11	5,515	13,635
Contract Liabilities	12	231,344	205,616
Lease liabilities	13	17,500	-
TOTAL CURRENT LIABILITIES		296,409	320,691
NON-CURRENT LIABILITIES			
Employee benefits	11	12,622	11,350
Operating lease payables	13	1,458	-
TOTAL NON-CURRENT LIABILITIES		14,080	11,350
TOTAL LIABILITIES		310,489	332,041
NET ASSETS		197,526	132,161
EQUITY			
Retained earnings		197,526	132,161
TOTAL EQUITY		197,526	132,161

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 2019

	2019	2018
	\$	\$
Retained earnings at the beginning of the year	132,161	107,490
Profit for the year	65,365	24,671
Retained earnings at the end of the year	<u>197,526</u>	<u>132,161</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 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	38,711	49,379
Payments to suppliers and employees	(543,701)	(232,126)
Receipts from government grants	537,415	464,328
Interest received	5,381	2,981
Net cash provided by operating activities	14 <u>37,806</u>	<u>284,562</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	5,677
Purchase of property, plant and equipment	(52,183)	(20,000)
Net cash used in investing activities	<u>(52,183)</u>	<u>(14,323)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(14,377)	270,239
Cash and cash equivalents at beginning of year	419,992	149,753
Cash and cash equivalents at end of financial year	6 <u>405,615</u>	<u>419,992</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 2019

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 2019 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.

The format and structure of comparatives have been amended to comply with current year reporting requirements. The comparative information in the financial statements has been prepared in accordance with previously applicable Australian Accounting Standards.

- AASB 118 *Revenue*; and
- AASB 117 *Leases*.

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) Adoption of new and revised accounting standards

The Association has adopted the recognition and measurement of the following standards which became effective for the first time as of 1 January 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income for Not-for-Profit Entities*; and
- AASB 16 *Leases*.

(b) Income Tax

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

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) 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. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

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.

(d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and obligations relating to the type of revenue as noted below, have been satisfied.

Grant revenue

Grant revenue is recognised on delivery of services in accordance with the terms and conditions of the individual funding agreements. Funding received in advance is recognised as a contract liability on the Statement of Financial Position until such time as the Association has met its performance obligations.

Where grants do not contain specifically identifiable performance obligations, grant revenue is recognised when there is reasonable assurance that the grant will be received, and all conditions met.

Grants relating to assets are recognised as a contract liability in the Statement of Financial Position on receipt and recognised as revenue over the course of the asset's construction.

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Revenue and other income

Rendering of services

Revenue in relation to rendering of services to artists, and hosting and organisation of events is recognised depending on whether the outcome of the services can be measured reliably. If the outcome can be measured reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured, then revenue is recognised to the extent of expenses recognised that are recoverable.

Local government membership income

Membership income from Local Government Councils is recognised in the year in which it is received.

Interest income

Interest is recognised using the effective interest method.

Other income

Other income is recognised as revenue at the point in time funds are received by the Association.

(e) 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.

(f) 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.

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Property, plant and equipment

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.

(g) 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.

(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 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 2019

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.

4 REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Grant revenue		
- Create NSW Multi-year	140,000	140,000
- Indigenous language and arts grant	4,830	-
- Other grant income	2,879	23,907
- Platform - NDIS funding (capital)	67,375	-
- Platform - NDIS funding (operating)	268,143	114,524
	<u>483,227</u>	<u>278,431</u>
Interest income	5,381	2,981
Local Government Memberships	59,284	57,725
Other Income	5,427	11,495
	<u>70,092</u>	<u>72,201</u>
	<u>553,319</u>	<u>350,632</u>

5 AUDITORS' REMUNERATION

Remuneration of the auditor National Audits Group Pty Ltd, for the:

- audit and preparation of the financial statements	4,500	4,100
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EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
6 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	200	200
Cash at bank	253,703	419,792
Short-term deposits	151,712	-
	<u>405,615</u>	<u>419,992</u>
7 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	<u>2,763</u>	-
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.</p>		
8 RIGHT-OF-USE ASSETS		
NON-CURRENT		
Right-of-use asset - at cost	26,250	-
Accumulated depreciation	(7,292)	-
	<u>18,958</u>	<u>-</u>

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
9 PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT		
Capital works in progress		
At cost	-	20,000
Plant and equipment		
At cost	70,057	-
Accumulated depreciation	(10,106)	-
	59,951	-
Motor vehicles		
At cost	27,680	27,680
Accumulated depreciation	(12,719)	(7,719)
	14,961	19,961
Computer equipment		
At cost	2,126	-
Accumulated depreciation	(607)	-
	1,519	-
	76,431	39,961

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Plant and Equipment	Motor Vehicles	Computer Equipment	Total
Year ended 31 December 2019					
Balance at the beginning of year	20,000	-	19,961	-	39,961
Additions	-	50,057	-	2,126	52,183
Transfers	(20,000)	20,000	-	-	-
Depreciation expense	-	(10,106)	(5,000)	(607)	(15,713)
Balance at the end of the year	-	59,951	14,961	1,519	76,431

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
10 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	42,050	101,440
	<u>42,050</u>	<u>101,440</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>		
11 EMPLOYEE BENEFITS		
CURRENT		
Provision for annual leave	5,515	13,635
	<u>5,515</u>	<u>13,635</u>
NON-CURRENT		
Provision for long service leave	12,622	11,350
	<u>12,622</u>	<u>11,350</u>
12 CONTRACT LIABILITIES		
CURRENT		
Funding received in advance	231,344	205,616
	<u>231,344</u>	<u>205,616</u>
13 LEASE LIABILITIES		
CURRENT		
Operating lease liabilities	17,500	-
	<u>17,500</u>	<u>-</u>
NON-CURRENT		
Operating lease payables	1,458	-
	<u>1,458</u>	<u>-</u>

EASTERN RIVERINA ARTS INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
14 CASH FLOW INFORMATION		
(a) Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year		
Cash flows excluded from profit attributable to operating activities	65,365	24,671
Non-cash flows adjustment:		
- capital asset depreciation	15,713	5,870
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	2,460	2,378
- (increase)/decrease in other assets	574	(4,249)
- increase/(decrease) in trade and other payables	(65,186)	89,044
- (increase)/decrease in contract liabilities	25,728	163,678
- increase/(decrease) in employee benefits	(6,848)	3,170
Cashflows from operations	<u>37,806</u>	<u>284,562</u>

15 EVENTS OCCURRING AFTER THE REPORTING DATE

The coronavirus outbreak in early 2020 has the potential to significantly impact the Association's operation in 2020.

Restrictions imposed by the Federal Government will lead to planned events being cancelled in the short to medium term. The exact financial impact is yet to be quantified as at the date of the issuance of the financial statements. Management and those charged with governance, will be guided by the Department of Health with regard to ongoing impacts as a result of Coronavirus and decisions about future planned events. Those charged with governance believe the Association will be able to continue as a going concern for the next twelve months.

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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RESPONSIBLE PERSONS' DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2020

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, 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 2019 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

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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



Steven J Watson
Managing Director

Dated: 8 April 2020

Wagga Wagga

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

DISCLAIMER

FOR THE YEAR ENDED 31 DECEMBER 2019

The additional financial data presented on page 20 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 2019. 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**



**Steven J Watson
Managing Director**

Dated: 8 April 2020

Wagga Wagga

EASTERN RIVERINA ARTS INCORPORATED

ABN: 93 195 464 075

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Income		
BBRF funding	-	19,350
Box office	3,338	3,453
Create NSW core funding	140,000	140,000
Fundraising	-	4,000
indigenous language and arts grant	4,830	-
Interest Income	5,381	2,981
Local government memberships	59,284	57,725
Other grant income	2,879	4,557
Other income	2,089	1,542
Platform - NDIS funding (capital)	67,375	-
Platform - NDIS funding (operating)	268,143	114,524
Sponsorship	-	2,500
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	553,319	350,632
Less: Expenses		
Artist fees	6,426	500
Auditor's remuneration	4,500	4,100
Board expenses	6,975	3,012
Bookkeeping	5,108	5,145
Cleaning	3,606	3,612
Computer expenses	3,716	2,742
Conferences and professional development	1,936	1,587
Consultant and speaker fees	104,498	16,827
Depreciation	23,005	5,870
Electricity	2,298	1,773
Employee benefits expense	168,744	140,302
Insurance	3,317	3,323
Legal costs	-	1,285
Motor vehicle expenses	6,432	6,048
Office expenses	847	47
Platform project expenses	-	81,080
Postage, printing and stationery	619	411
Production expenses	98,303	7,552
Promotion and marketing	11,483	6,249
Rental outgoings	9,917	17,000
Staff amenities	434	348
Sundry expenses	6,751	1,771
Telephone	2,695	2,579
Travel expenses	16,344	12,798
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	487,954	325,961
Profit for the year	<hr/>	<hr/>
	65,365	24,671