

ARTS OUT WEST INCORPORATED
ABN 61 526 423 775

Financial Statements Including Audit Report

For the year ended 31 December 2017

Arts Out West Incorporated
ABN 61 526 423 775

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Arts Out West Incorporated
ABN 61 526 423 775

Statement of Comprehensive Income
For the Year Ended 31 December 2017

	2017 \$	2016 \$
Revenue		
Revenue	484,510	623,923
Total Revenue	<u>484,510</u>	<u>623,923</u>
Expenditure		
Payroll Expenses	273,130	318,181
Other Expenses	222,567	315,266
Total Expenditure	<u>495,697</u>	<u>633,446</u>
Net Surplus/(Deficit) for the year	<u>(11,187)</u>	<u>(9,524)</u>

Arts Out West Incorporated
ABN 61 526 423 775

Statement of Financial Position
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Current Assets		
Cash and cash equivalents	253,485	426,440
Accounts Receivable	248,102	103,262
Prepayments	4,470	4,556
Accrued Income	4,183	7,986
Total Current Assets	510,239	542,245
Non-Current Assets		
Property, plant and equipment	44,944	40,422
Total Non-Current Assets	44,944	40,422
Total Assets	555,184	582,666
Current Liabilities		
Trade Creditors	3,888	18,397
Accrued Expense	16,134	17,846
PAYG Holding Payable	3,896	4,910
Superannuation Payable	-	3,833
GST Payable	23,727	31,068
Annual Leave Provision	44,390	50,875
Other Liabilities	317,716	299,734
Total Current Liabilities	409,751	426,663
Non-Current Liabilities		
Long Service Leave Provision	27,997	27,380
Total Non-Current Liabilities	27,997	27,380
Total Liabilities	437,748	454,043
Net Assets	117,436	128,623
Equity		
Accumulated Funds	127,697	137,221
Surplus/(deficit) for the year	(11,187)	(9,524)
Total Equity	116,510	127,697

Note - The balance sheet does not balance due to an issue with MYOB dating back to about 2014 when the MYOB software was updated. AOW is working on correcting this issue in 2018.

Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2017

Note 1: Summary of Significant Accounting Policies

The financial report is a special financial report in order to satisfy the financial requirements of the Associations Incorporation Act NSW 2009 and Australian Charities and Not-for-profits Commission Act 2012 and the needs of the members. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current variations of non-current assets.

These are special purpose financial statements that have been prepared for the purpose of complying with the New South Wales legislation the Associations Incorporation Act 2009, The Charitable Fundraising Act 1991 and associated regulations. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Arts Out West Inc.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

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

(a) Income Tax

The association is exempt from income tax as specified by Section 50-5 of the Income Tax Assessment Act, 1997.

(b) Property, Plant and Equipment

Property, plant and equipment are measured at historical cost basis less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributed to the acquisition of the items.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit and loss.

(c) Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

(d) Impairment of Assets

At each reporting date the association reviews the carrying amount of its assets to determine whether there is an indication that the asset has been impaired. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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Notes to and Forming Part of the Financial Statements
For the Year Ended 31 December 2017

- (e) **Cash and Cash Equivalent**
Cash includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of twelve months or less. The term deposit held by the preschool is for the long service leave, sick leave and the bus replacement.
- (f) **Accounts Receivable and Other Debtors**
Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current.
- (g) **Trade and Other Payables**
These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.
- (h) **Revenue**
Revenue is measured at the fair value of the consideration received or receivable from the rendering of a service upon the delivery of the service to the customer.
- Interest revenue, grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.
- All revenue is stated net of the amount of goods and services tax (GST).
- (i) **Goods and Services Tax**
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.
- (j) **Provisions**
Provision balance has been calculated based on the annual leave and long service leave owing for all employees at 31 December 2017. On costs factors have been included in the provision calculation. However, no probability or discounting were included.

Arts Out West Incorporated

ABN: 61 526 423 775

Responsible Persons Declaration
For the Year Ended 31 December 2017

The responsible persons have determined that Arts Out West Incorporated is not a reporting entity and have determined that this special purpose financial report should be prepared in accordance with those accounting policies outlined in Note 1 to the financial statements.

In the opinion of the responsible persons, the financial report:

1. Presents a true and fair view of the financial position of Arts Out West Incorporated as at 31 December 2017 and its performance for the period ended on that date; and
2. At the date of this statement, there are reasonable grounds to believe that the Arts Out West Incorporated will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the management committee with subsection 60.15(2) of the Australian Charities and Non-for-profit Commission Regulation 2013:

F. Charge
President

Fran Charge
Name

8/5/18
Date

Giovenco
Treasurer

Bronwyn Giovenco
Name

8/5/18
Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTS OUT WEST INCORPORATED

Opinion

We have audited the financial report of Arts Out West Incorporated, which comprises the balance sheet as at 31 December 2017, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion the financial report of Arts Out West Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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 Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and Australian Charities and Not for Profit Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 report.

Crowe Horwath Central West

CROWE HORWATH CENTRAL WEST



John Thompson
Audit Partner

Registered Company Auditor: 302046

Dated: 8 May 2018

**Crowe Horwath
Central West**

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DISCLAIMER ON ADDITIONAL INFORMATION

ARTS OUT WEST INCORPORATED

The additional financial information on page 12 is in accordance with the books and records of Arts Out West Incorporated which have been subjected to the auditing procedures applied in our statutory audit of the accounts for the year ended 31 December 2017. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Arts Out West Incorporated) in respect of the additional financial information, including error or omissions therein, arising through negligence or otherwise however caused.

Crowe Horwath Central West

CROWE HORWATH CENTRAL WEST



**John Thompson
Audit Partner**

Registered Company Auditor: 302046

Dated: 8 May 2018

Arts Out West Incorporated
ABN 61 526 423 775

Detailed Statement of Comprehensive Income
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Income		
Grants		
Arts NSW Administration Grant	140,000	150,000
Arts NSW Disability Partner	-	6,340
Australia Council for the Arts	-	35,200
Aust Govt - Attorney General's	80,000	84,747
Regional Arts NSW	17,459	45,144
Western NSW LHD	-	2,157
Total Grants	237,459	323,588
Council Contributions	106,554	109,676
Fundraising - Gifts		
Contributions (Members)	-	20
Donations Received - DGR	2,775	42,719
Total Fundraising - Gifts	2,775	42,739
Trading/Operating Activities		
Sales/Commission of Art Work	55	-
Workshop Fees	793	2,960
Project income	96,406	22,013
Total Trading/Operating Activities	97,253	24,973
Other Fees & Charges		
Auspice Fee	1,500	7,765
MV Lease Fees	8,000	10,200
Total Other Fees & Charges	9,500	17,965
Sponsorship		
CSU Contribution	-	9,031
Total Sponsorship	-	9,031
Other Income		
Membership Fees	484	414
NSW Office Environ.& Heritage	12,675	-
Interest Received	2,871	4,100
Miscellaneous	1,347	1,121
AOW Consultancy Fees	228	15,886
AOW - Expenses Reimbursed	13,365	74,431
Total Other Income	30,970	95,951
Total Income	484,510	623,923

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Detailed Statement of Comprehensive Income
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Expenses		
Administration Expenses		
Audit Fees	7,000	6,750
Advertising	193	21
Bank Charges	638	1,320
Board & Governance Expenses		
Travel for Board	428	792
Catering for Board Meetings	1,006	1,299
Catering - WAN	472	-
Total Board & Governance Expenses	1,906	2,091
Communication		
Postage, Freight & Courier	1,226	1,282
Printing & Stationery	2,452	2,472
Telephone, Fax & Internet	832	2,186
Website Host Fees	1,868	2,594
Total Communication	6,378	8,534
Computer Expenses		
Computer Hire - Lease	2,612	1,510
Computer Maintenance	1,424	1,449
Total Computer Expenses	4,036	2,959
Depreciation expense	-	489
General Expenses	500	51
Insurance Expenses		
General Contents Insurance	621	564
Association Liability Ins.	694	984
Public Liability	1,768	1,571
Volunteer Personal Accident	71	69
Business Pak - Works of Art	578	838
Cyber Insurance	40	-
Group Journey Insurance	26	-
Licence Fees	79	78
Total Insurance Expenses	3,877	4,103
Equipment Hire / Lease	765	3,037
Loss/Gain on Sale Asset	1,758	-
Meeting Expenses	-	722

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Detailed Statement of Comprehensive Income
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Motor Vehicle Expenses		
MV Depreciation	9,659	10,054
Fuel and Oil	3,973	3,492
Registration & Insurance	3,949	3,608
MV Lease	8,000	12,271
Repairs & Maintenance	1,719	5,204
Total Motor Vehicle Expenses	27,300	34,629
Rent - PY	10,000	-
Resources		
Publications & Information	-	20
Subscriptions & Membership	509	465
Total Resources	509	485
Travel & Accommodation		
Travel for Staff	6,748	9,911
Staff Accommodation	3,399	2,807
Travel IVAS	-	1,408
Travel for Artists	3,215	1,311
Total Travel & Accommodation	13,362	15,436
Seminars & Conferences	1,159	5,022
Small Capital Items	473	754
Total Administration Expenses	79,854	86,402
Program Expenses		
Artists Fee/Consultants		
Administration	6,253	2,140
Artists Fees	46,832	103,052
Artists Accom	1,684	8,763
Artists Travel	2,822	7,355
Consultancy Fees	2,530	15,285
Contract Workers	5,530	6,051
Police Checks	247	-
Per Diems	-	3,459
Production Costs	11,022	-
Workshop Facilitation	22,487	11,610
Total Artists Fee/Consultants	99,407	157,716
Auspicing Fees	1,500	2,225
Catering	1,128	3,730
Documentation	1,140	2,791

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Detailed Statement of Comprehensive Income
For the Year Ended 31 December 2017

	2,017	2,016
	\$	\$
Funding - Grants	-	40,660
Materials	13,223	17,957
Market & Business Development	288	-
Promotion	1,250	-
Venue Hire	7,429	194
Total Program Expenses	<u>125,365</u>	<u>225,272</u>
Staff Expenses		
Annual Leave Expense	(2,556)	18,460
Long Service Expense	618	(1,353)
Wages & Salaries	251,492	273,112
Superannuation	23,577	27,961
Fringe Benefits Tax	(954)	608
Workers Compensation	1,908	1,794
Recruitment	195	-
Staff Amenities	456	466
Staff Training & Welfare	742	723
Total Staff Expenses	<u>275,478</u>	<u>321,772</u>
Project costs	<u>15,000</u>	<u>-</u>
Total Expenses	<u>495,697</u>	<u>633,446</u>
Operating Profit	<u>(11,187)</u>	<u>(9,524)</u>

Arts Out West Incorporated
ABN 61 526 423 775

Detailed Statement of Financial Position
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Assets		
Current Assets		
Cash on Hand		
CBA Working A/c 10578333	9,948	192,615
CBA Higher Int A/c 10578341	237,398	118,327
St George - 043867771 OPS	(84)	909
St George - 068256854 - ROCO	6,222	6,082
Term Deposit - 0353 688 664 22/6/16	-	108,508
Total Cash on Hand	253,485	426,440
Prepayments		
Prepaid Contents Insurance	15	462
Prepaid Expenses	500	-
Prepaid Workers Compensation	1,120	1,326
Prepaid Association Liability	615	570
Prepaid Public Liability	493	790
Prepaid MV Insurance	1,094	1,408
Prepaid Group Travel	172	-
Prepaid Art Works Insurance	237	-
Prepaid Cyber Insurance	200	-
Prepaid Volunteer Insurance	23	-
Total Prepayments	4,470	4,556
Accrued Income		
Interest Accrued	101	484
Accrued Income	4,081	7,502
Total Accrued Income	4,183	7,986
Accounts Receivable	248,102	103,262
Total Current Assets	510,239	542,245
Non-Current Assets		
Motor Vehicle		
Toyota Rav 4 - CL17YC	31,545	-
Accum Depreciation	(2,800)	-
Motor Vehicle Mtsbshi BU60ZL	-	38,581
Acc Amortisation Motor Vehicle	-	(19,013)
Motor Vehicle RAV 4	31,029	31,029
Acc Amortisation Motor Vehicle	(14,830)	(10,176)
Total Motor Vehicle	44,944	40,422
Total Non-Current Assets	44,944	40,422
Total Assets	555,184	582,666

Arts Out West Incorporated
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Detailed Statement of Financial Position
For the Year Ended 31 December 2017

	2017	2016
	\$	\$
Liabilities		
Current Liabilities		
VISA 8010 9152 (TC)	387	37
Trade Creditors	3,501	18,360
Accrued Expenses		
Accrued Wages	10,134	11,596
Accrued Audit Fees	6,000	6,250
Total Accrued Expenses	16,134	17,846
PAYG Withholding Payable	3,896	4,910
Superannuation Payable	-	3,833
Current Tax Liabilities		
GST Collected	26,224	36,946
GST Paid	(3,154)	(6,535)
GST Adjustments	657	657
Total Current Tax Liabilities	23,727	31,068
Provision for Annual Leave	44,390	50,875
Revenue in Advance - Admin		
Council Contributions	54,539	54,015
Total Revenue in Advance - Admin	54,539	54,015
Revenue in Advance - Grants		
Arts NSW Grant	140,000	140,000
CWAADO - IVAIS	40,000	40,000
Mental Health, Drug & Alcohol	2,388	3,858
Unsustainable Behaviour	-	4,438
Big Skies	11,479	-
01-0007 - Jimmy Little	-	15,000
LHS	2,219	4,931
01-0009 History Here	-	12,675
The Waiting Room Project	2,345	3,310
JRV - Art and Dementia	-	4,557
JRV - Interactive Garden	-	8,379
Sing Your Age	3,160	-
House With No Steps	19,830	-
Lingua Franca Ensemble	29,800	-
Total Revenue in Advance - Grants	251,221	237,147
Other Current Liabilities		
The Big Sing	30	30
Multicultural Choir	11,926	8,542
Total Other Current Liabilities	11,957	8,572

Arts Out West Incorporated
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Detailed Statement of Financial Position
For the Year Ended 31 December 2017

	NOTE	2017	2016
		\$	\$
Total Current Liabilities		409,751	426,663
Non-current Liabilities			
Employee Benefits			
Provision: Long Service Leave		27,997	27,380
Total Non-current Liabilities		27,997	27,380
Total Liabilities		437,748	454,043
Net Assets		117,436	128,623
Equity			
Accumulated Surplus		127,697	137,221
Current Earnings		(11,187)	(9,524)
Total Equity		116,510	127,697