

MURRAY ARTS INC.
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

FOCUS 
PARTNERS
chartered accountants



**Chartered
Accountants**

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MURRAY ARTS INC.

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MURRAY ARTS INC.

MANAGEMENT COMMITTEE REPORT

Your committee members submit the financial report of Murray Arts Inc. for the year ended 31 December 2017.

Committee Members

The names of the committee members in office at any time during or since the end of the year are:

Glenn Mancer (resigned May 2017)
Deborah Ross
Denise Osborne (resigned May 2017)
David Thurley
Tahni Froudist
Annette Schilg
Jennie Star
Diane Stepheard

Principal Activities

The principal activities of the association during the year remained:

The promotion of the arts in the region.

Significant Changes

No significant change in the nature of these activities occurred during the year.

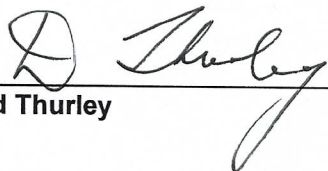
Operating Result

The deficit for the year amounted to \$1,968.95.

Signed in accordance with a resolution of the members of the committee:



Tahni Froudist



David Thurley

Dated: 16.4.2018

MURRAY ARTS INC.
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MURRAY ARTS INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Murray Arts Inc. (the association) which comprises the balance sheet as at 31 December 2017 and the income statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporations Act 2009 and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks or material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporations Act 2009. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

MURRAY ARTS INC.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MURRAY ARTS INC.**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Murray Arts Inc. presents fairly in all material respects the financial position of Murray Arts Inc. as of 31 December 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

FOCUS PARTNERS



Elin Collins, CA
Partner

Dated: 20th April, 2018

Income Statement

MURRAY ARTS INCORPORATED

For the year ended 31 December 2017

	NOTES	2017	2016
Income			
General Income	2	246,169.14	237,362.38
Project Income	3	35,220.79	40,753.90
ILA funding for AAO		18,519.11	-
International Tap Dance		2,727.28	-
Nellen Trainee		5,000.00	-
STC workshop		181.81	-
Loss on sale of asset		(428.00)	(98.28)
Total Income		307,390.13	278,018.00
Total Income			
		307,390.13	278,018.00
Expenses			
Aboriginal Artist Network		-	2,194.62
Accounting Software & support (MYOB and Xero)		494.05	927.27
Annual report printing & design		3,450.00	5,240.00
Audit, legal ,finance and governance		8,670.68	7,804.00
Bank Charges		158.44	96.61
Billet-Doux Expenses		-	1,014.72
Board Development		2,099.00	-
Board Meetings		375.77	-
Board Travel & Accommodation		292.73	244.01
Bookkeeper (Contract)		3,325.00	-
Burraja Arts Artist fees		5,151.40	3,735.18
Burraja Gallery Expenses		3,209.26	(24.83)
Cleaning		841.82	622.00
Computer Costs		-	1,460.50
Depreciation		1,477.00	4,489.00
Eddie Kneebone		212.73	-
Equip purchase & maintenance		1,116.00	120.72
Fringe benefits tax		2,439.63	2,836.54
Go Wild in the Garden		-	9,872.17
Insurance		3,809.32	2,810.31
Int Tap Dance		2,640.73	-
IT services		11,180.61	2,100.18
LAH		-	1,366.29
Marketing, Promotion & Publicity		1,520.64	3,545.45
Meeting Expenses		664.29	406.46
Motor vehicle	4	15,260.95	12,850.48
Miscellaneous Expenses		464.93	498.00
NAIDOC		1,944.83	3,270.00
Newsletter		-	706.65

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	2017	2016
Newspapers		275.99	-
Office move		-	45.14
Office Repairs and Maintenance		142.35	-
Our Stories: Our Voices		-	9,133.89
Petty Cash Expenditure		13.75	94.45
Phone & Fax		7,456.44	8,719.20
Post & Freight		237.26	235.58
Printing & Stationery		1,319.38	914.37
Professional Development		16,644.35	681.82
Project - Inspiring Australia		9,759.22	-
Project - Month in The Country		3,000.00	3,000.00
Publication & Subscriptions		727.27	1,234.05
Rent		9,364.71	9,115.84
School Drama		272.73	-
Smart Arts Artist fees		-	3,613.55
Smart Arts Project Management		-	890.15
Smart Arts venue hire		-	331.82
Staff Amenities		1,806.68	1,257.58
Stencil Project		-	1,701.82
Sticks & Stones		1,999.19	-
Strategic Plan		-	34.55
Superannuation		14,326.56	11,962.40
Then He Came Home		3,000.00	-
Trainee		3,537.58	-
Travel & Accommodation		7,920.15	4,523.40
Utilities		376.28	504.73
Provision for Annual Leave		3,995.03	(2,418.17)
Provision for LSL		(6,501.54)	(4,885.22)
Staff Appointment Costs		1,364.45	704.64
Wages	5	153,051.81	128,616.19
Website		552.98	646.38
Website admin		-	161.27
Workers Compensation		3,916.65	2,948.52
Workers Compensation claim		-	622.76
Total Expenses		309,359.08	252,577.04
Surplus/(Deficit)		(1,968.95)	25,440.96

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Balance Sheet

MURRAY ARTS INCORPORATED

As at 31 December 2017

	NOTES	31 DEC 2017	31 DEC 2016
Assets			
Current Assets			
Cash and Cash Equivalents	6	255,720.34	129,322.27
GST		-	13,687.44
Accrued Income		328.81	375.06
Prepayments		2,226.78	1,193.42
Trade Debtors		549.62	69,264.72
Total Current Assets		258,825.55	213,842.91
Non-Current Assets			
Property, plant and equipment	7	7,852.00	5,557.00
Total Non-Current Assets		7,852.00	5,557.00
Total Assets		266,677.55	219,399.91
Liabilities			
Current Liabilities			
Trade Creditors		3,470.16	2,360.38
Annual Leave Accrual	9	10,483.82	6,488.79
Accrued expenses		2,361.76	2,595.81
Grants and funding in advance	8	153,421.59	108,534.73
Other Payables	10	10,610.47	4,619.96
Total Current Liabilities		180,347.80	124,599.67
Non-Current Liabilities			
LSL Accrual	9	-	6,501.54
Total Non-Current Liabilities		-	6,501.54
Total Liabilities		180,347.80	131,101.21
Net Assets		86,329.75	88,298.70
Equity			
Retained Earnings		86,329.75	88,298.70
Total Equity		86,329.75	88,298.70

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

MURRAY ARTS INCORPORATED

For the year ended 31 December 2017

1. Statement of Significant Accounting Policies

This financial report is a special purpose report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 2009. The committee has determined that the association is not a reporting entity.

The financial report is 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 valuations of non-current assets.

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

a) Income Tax

The association is exempt from Income Tax under Sub-division 50-B of the Income Tax Assessment Act 1997.

b) Property, Plant and Equipment

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

c) Depreciation

Depreciation is calculated to write off the net cost of each item of property, plant and equipment over its expected useful life.

d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

e) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits are measured at the amounts expected to be paid when the liability is settled.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

g) Goods and Services Tax (GST)

Revenues, expenses and fixed assets are recognised net of the amount of GST. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

h) Trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

i) Revenue

Revenue is measured as the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

j) Council contributions

Murray Arts receives contributions from six local governments; Albury City, Federation Shire, Greater Hume, Indigo Shire, Towong Shire, and City of Wodonga. Contributions are received based on either calendar year or financial year, depending on which system the council operates within. As such, the contributions identified within the financial statements are reflective of this.

Amounts are recognised in Grants in Advance account to reflect allocation to the following accounting period.

	2017	2016
2. General Income		
Albury City Council	29,555.00	29,294.00
Arts Wodonga Admin Pos	-	9,950.66
Create NSW	150,000.00	140,000.00
Federation Council	11,844.50	11,644.50
Greater Hume Shire	6,000.00	6,000.00
Indigo Shire	9,000.00	9,000.00
Murray Arts admin fee	-	556.36
Regional Arts NSW	578.60	808.56
Regional Arts Victoria	1,999.00	-
Towong Shire	5,000.00	5,000.00
Wodonga City Council	20,000.00	20,000.00
ATO interest	6.19	-
Bank Interest	3,353.37	2,460.17
Sundry Income	240.00	2,648.13
xx Reimbursement Income	8,480.22	-
Fee for service	112.26	-
Total General Income	246,169.14	237,362.38

	2017	2016
3. Project Income		
Aboriginal Arts Curator	7,726.66	-
Aboriginal RAF project	-	9,309.00
Auspiced Project - Then He Came Home	3,000.00	-
Auspiced Project - GIGS Admin	5,505.33	-

These notes should be read in conjunction with the attached compilation report.

Billet-Doux Income	-	72.73
Burraja Arts Sales	6,988.80	5,831.43
Burraja Arts Workshop income	-	385.00
Burraja Arts Exhibition Space	-	2,000.00
CSU	-	2,000.00
Cultural Tourism Income	-	1,000.00
Halve Waste Income	-	5,000.00
Inspiring Australia (NSW)	10,000.00	7,920.00
Prime Minister & Cabinet	2,000.00	3,000.00
Smart Arts Workshop	-	3,039.04
Stencil Art Project	-	1,196.70
Total Project Income	35,220.79	40,753.90
	2017	2016

4. Motor vehicle expenses

Fuel	2,763.78	2,780.90
Car Insurance	586.85	632.71
Car Repairs & Maintenance	2,445.49	520.00
Lease & Registration	9,464.83	8,916.87
Total Motor vehicle expenses	15,260.95	12,850.48
	2017	2016

5. Wages

Wages Creators Artspace	-	3,322.00
Wages ED	68,617.19	45,368.22
Wages Comms Officer	35,237.03	23,597.13
Wages Aboriginal Arts Officer	16,549.66	16,125.17
Wages ADMIN	17,890.96	30,219.67
Wages - Aboriginal Arts Curator (Beth)	6,904.97	-
Auspiced Wages GIGS	7,852.00	9,984.00
Total Wages	153,051.81	128,616.19
	2017	2016

6. Cash and Cash Equivalents

Petty Cash 574043S9.1	2,806.97	1,954.49
Hume investment 574043I-1	89,432.41	37,483.49
Murray Arts Inc Business Acct	38,234.57	30,995.06
MurrayArt Foundation574043S9.2	1.00	1.00
Business I Save 574043S18	120,568.84	55,122.58
Burraja Arts 574043S9.3	3,406.55	2,365.40

These notes should be read in conjunction with the attached compilation report.

Burraja Arts cash float	145.00	65.25
Burraja Arts Stock on Hand	1,125.00	1,335.00
Total Cash and Cash Equivalents	255,720.34	129,322.27
	2017	2016

7. Property Plant and Equipment

Plant and Equipment		
Plant and equipment at cost	28,775.00	42,727.00
Accumulated depreciation of plant and equipment	(20,923.00)	(37,170.00)
Total Plant and Equipment	7,852.00	5,557.00
Total Property Plant and Equipment	7,852.00	5,557.00
	2017	2016

8. Grants and funding in advance

Grants in Advance	(63,200.50)	(108,534.73)
Income in Advance - Aboriginal Arts Curator	(46,804.34)	-
Income in Advance - ILA Funding for AAO	(28,416.75)	-
Income in Advance - Wetlands Photography	(15,000.00)	-
Total Grants and funding in advance	(153,421.59)	(108,534.73)
	2017	2016

9. Provisions

Short-term Provisions		
Annual Leave Accrual	10,483.82	6,488.79
Total Short-term Provisions	10,483.82	6,488.79
Long-term Provisions		
LSL Accrual	-	6,501.54
Total Long-term Provisions	-	6,501.54
Total Provisions	10,483.82	12,990.33
	2017	2016

10. Other Payables

PAYG Payable	5,852.00	3,362.00
Superannuation Payable	3,530.92	1,257.96
GST	1,227.55	(13,687.44)
Total Other Payables	10,610.47	(9,067.48)

These notes should be read in conjunction with the attached compilation report.

MURRAY ARTS INC.

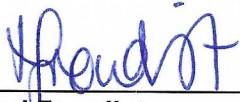
STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

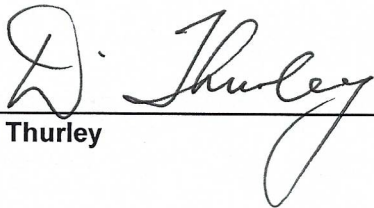
In the opinion of the committee the financial report:

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

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Tahni Froud
Tahni Froud



David Thurley
David Thurley

Dated: 16.4.2018

MURRAY ARTS INC.

CERTIFICATE BY MEMBERS OF THE COMMITTEE

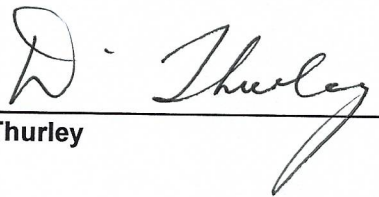
I, Tahni Froudist and I, David Thurley certify that:

- (a) We are members of the committee of the association.
- (b) We attended the annual general meeting of the association.
- (c) We are authorised by the attached resolution of the committee to sign this certificate.
- (d) The annual statement was submitted to the members of the association at its annual general meeting.

Dated: 16.4.2018



Tahni Froudist



David Thurley