

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

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FOR THE YEAR ENDED 30 JUNE 2022

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**AUDITOR'S INDEPENDENCE DECLARATION
YOUNG REGIONAL CONSERVATORIUM INCORPORATED**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profit Commission act 2012, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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

JOHN L BUSH & CAMPBELL
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
5 September 2022



YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Revenue		871,274	943,985
Other income		153,270	217,000
	5	<u>1,024,544</u>	<u>1,160,985</u>
Less: Expenses			
Depreciation expense		33,932	24,267
Dues and subsidies		5,728	11,516
Employee benefits expense		874,020	830,896
Contractors		2,958	11,180
Insurance		22,010	14,700
Other expenses		81,226	75,470
Bad debts Expense		154	607
Concerts		1,987	6,591
Discounts		-	935
Professional services	6	18,303	28,113
Repairs and maintenance		7,879	18,712
Rental expenses		3,590	-
Travel and accommodation		14,493	16,960
Utilities		8,712	6,059
Profit for the year		<u>(50,449)</u>	<u>114,979</u>
Income tax expense	3(a)	-	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(50,449)</u></u>	<u><u>114,979</u></u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	688,400	664,259
Trade and other receivables	8	30,536	31,616
Prepayments		-	3
TOTAL CURRENT ASSETS		<u>718,936</u>	<u>695,878</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	<u>520,496</u>	<u>575,200</u>
TOTAL NON-CURRENT ASSETS		<u>520,496</u>	<u>575,200</u>
TOTAL ASSETS		<u>1,239,432</u>	<u>1,271,078</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	31,737	27,636
Contract liabilities	11	1,031	2,467
Employee benefits	12	84,298	72,199
TOTAL CURRENT LIABILITIES		<u>117,065</u>	<u>102,302</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	<u>26,531</u>	<u>22,491</u>
TOTAL NON-CURRENT LIABILITIES		<u>26,531</u>	<u>22,491</u>
TOTAL LIABILITIES		<u>143,596</u>	<u>124,793</u>
NET ASSETS		<u>1,095,836</u>	<u>1,146,285</u>
EQUITY			
Retained Earnings		1,095,836	1,146,285
TOTAL EQUITY		<u>1,095,836</u>	<u>1,146,285</u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Retained earnings at the beginning of the year	1,146,285	1,031,306
Profit for the year	(50,449)	114,979
Retained earnings at the end of the year	<u>1,095,836</u>	<u>1,146,285</u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		446,315	574,169
Receipts from operational funding		458,208	433,419
Payments to suppliers		(1,021,602)	(975,791)
Interest received		563	3,315
Government subsidies (COVID 19)		85,586	204,000
Net cash provided by operating activities	13	<u>(30,931)</u>	<u>239,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments to acquire property, plant and equipment		(74,436)	(262,894)
Other receipts from investing activities - sale of assets		129,508	-
Net cash used in investing activities		<u>55,072</u>	<u>(262,894)</u>
Net increase in cash and cash equivalents held		24,141	(23,782)
Cash and cash equivalents at the beginning of the year		664,259	688,041
Cash and cash equivalents at end of financial year	7	<u>688,400</u>	<u>664,259</u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The financial statements cover Young Regional Conservatorium Incorporated (the Association) as an individual entity. Young Regional Conservatorium 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 30 June 2022 were to offer musical opportunities to students of all ages in the Young Region.

The functional and presentation currency of Young Regional Conservatorium Incorporated is Australian dollars (\$AUD) and all amounts have been rounded to the nearest dollar.

1 BASIS OF PREPARATION

The Responsible persons have prepared the financial statements on the basis that the Association is a non-reporting entity as 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 relevant 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 historic costs.

Comparatives are consistent to prior years, subject to those which have changed from a presentation perspective, as required on application of new accounting standards and interpretations which were adopted by the Association during the year.

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 CHANGE IN ACCOUNTING POLICIES

There are no new accounting standards that have caused any material adjustments to the reported financial position, performance or cash flow of the Association for this financial year.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 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

The Association has relied on relief under AASB 16 and AASB 1058 with regard to measuring right-of-use assets arising from peppercorn leases.

The Association entered into leases for the following properties:

- 15 - 17 Campbell Street, Young, NSW 2594; and
- 11 Campbell Street, Young, NSW 2594.

The lease terms are 10 years each and will expire 31 August 2026. No rent is charged to the Association by the lessor for the above mentioned properties.

(c) Revenue and Other Income

Revenue from Contracts with Customers (AASB 15)

Under AASB 15 Revenue from Contracts with Customers, the Association recognises revenue on a basis that reflects the transfer of services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those services.

Revenue is recognised by applying a five-step model for each applicable revenue stream 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; and
- 5) Recognise revenue as and when control of the performance obligations is transferred.

The Association's accounting policies for recognising revenue in accordance with AASB 15 is outlined in further detail below.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grant funding

Grant funding is recognised as revenue on the delivery of services or completion of a program 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.

When a performance obligation is satisfied by completing specific funding obligations before completion of the program or before the 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.

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

Student fees

Revenue in relation to student fees is recognised within the term to which the student fees relate.

Student fees received in advance incur an obligation for the Association to honour the terms and conditions of the agreed services for the term in which the fees received relate. This represents a constructive obligation to provide all benefits associated with the fees received to the enrolled participants. Therefore, student fees received in advance are recognised on the statement of financial position as a contract liability and subsequently recognised as revenue in the period to which they relate, on a straight-line basis.

Other revenue

Other revenue is recognised as revenue when the Association has fulfilled its performance obligations.

Revenue recognised on receipt (AASB 1058)

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, is deemed to further the objectives of the Association, and has no enforceable or sufficiently specific performance obligations attached to the receipt.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(d) Goods and services tax

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.

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.

(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.

Depreciation

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

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

Fixed asset class	Depreciation rate
Building Improvements	2.5% - 20%
Equipment and Library	1.9% - 100%
Motor Vehicles	10%

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.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Financial instruments

Financial assets

On initial recognition, the Association classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

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

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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

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

(h) Cash and cash equivalents

Cash and cash equivalents comprises 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.

(i) 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.

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 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.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(j) 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.

Provisions are measured at present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Economic dependence

Young Regional Conservatorium Incorporated is dependent on the Department of Education for the majority of its revenue used to operate. At the date of this report the Committee have no reason to believe the Department of Education will not continue to support Young Regional Conservatorium Incorporated.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Responsible persons 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.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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 in accordance with the expected credit loss model. The impairment provision is based on the best current and looking forward information available at the assessment date.

Key judgements - COVID-19 considerations

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have on the Association based on known information. This consideration extends to the nature of the services offered, customers, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
5 REVENUE AND OTHER INCOME		
Revenue from contracts with customers (AASB 15)		
Donations and sponsorship	2,937	2,291
Grant funding	424,823	420,419
Interest revenue	563	3,315
Memberships	1,850	1,995
Other revenue	26,685	14,343
Student fees	414,417	501,622
	<u>871,274</u>	<u>943,985</u>
Revenue recognised on receipt (AASB 1058)		
<i>(Not enforceable or no sufficiently specific performance)</i>		
Cash flow boost	-	37,500
Service NSW & Create NSW grants	33,385	13,000
Job Saver subsidy	85,586	-
Jobkeeper subsidy	-	166,500
Profit on sale of assets	34,300	-
	<u>153,270</u>	<u>217,000</u>
TOTAL REVENUE AND OTHER INCOME	<u>1,024,544</u>	<u>1,160,985</u>
6 AUDITOR'S REMUNERATION		
Professional services includes remuneration of the auditor National Audits Group Pty Ltd, for:		
- the audit and preparation of financial statements	-	2,500
John L Bush and Campbell, for:		
- the audit of financial statements	8,000	7,500
	<u>8,000</u>	<u>10,000</u>
7 CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	116	157
Cash at bank	395,830	486,311
Short-term deposits	292,454	177,791
	<u>688,400</u>	<u>664,259</u>
8 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	35,884	16,583
Provision for impairment	(5,348)	(6,132)
Government Subsidies and ATO Receivables	-	21,164
	<u>30,536</u>	<u>31,616</u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

ABN: 67 442 423 924

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
9 PROPERTY PLANT AND EQUIPMENT		
NON-CURRENT		
Freehold land		
At cost	-	95,072
Buildings		
At cost	250,882	250,882
Accumulated depreciation	(6,633)	(361)
	<u>244,249</u>	<u>250,521</u>
Building Improvements		
At cost	262,241	249,421
Accumulated depreciation	(128,864)	(121,726)
	<u>133,377</u>	<u>127,695</u>
Plant and equipment		
At cost	289,133	230,386
Accumulated depreciation	(178,390)	(165,747)
	<u>110,743</u>	<u>64,639</u>
Motor vehicles		
At cost	51,458	51,458
Accumulated depreciation	(19,331)	(14,186)
	<u>32,127</u>	<u>37,272</u>
Total Property, plant and equipment	<u>520,496</u>	<u>575,200</u>
10 TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	9,355	8,267
Other payables	20,521	19,368
ATO payables	1,861	-
	<u>31,737</u>	<u>27,636</u>
11 CONTRACT LIABILITIES		
CURRENT		
Student fees received in advance	1,031	2,467

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.

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
12 EMPLOYEE ENTITLEMENTS		
CURRENT		
Annual leave	41,745	34,742
Long-service leave	42,552	37,457
	<u>84,298</u>	<u>72,199</u>
NON-CURRENT		
Long-service leave	<u>26,531</u>	<u>22,491</u>
13 CASH FLOW INFORMATION		
Reconciliation of result for the year to cashflows from operating activities		
Profit for the year	<u>(50,449)</u>	114,979
Non-cash flows in profit:		
- depreciation	33,932	24,267
- profit on sale of assets	(34,300)	-
Changes in assets and liabilities:		
(increase)/decrease in trade and other receivables	1,080	65,584
(increase)/decrease in prepayments	3	516
(increase)/decrease in inventories	-	-
increase/(decrease) in trade and other payables	4,101	374
increase/(decrease) in contract liabilities	(1,436)	(7,173)
increase/(decrease) in employee entitlements	16,139	40,564
Cashflows provided by operating activities	<u>(30,931)</u>	<u>239,110</u>

YOUNG REGIONAL CONSERVATORIUM INCORPORATED

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RESPONSIBLE PERSONS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2022

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

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become payable; and
- the financial statements and notes satisfy the requirements of 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 the Associations Incorporation Regulation (NSW) 2016.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Responsible person

Pharon Lewis

Responsible person

Mary Dodd

Dated

16.9.2022.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF: YOUNG REGIONAL CONSERVATORIUM INCORPORATED

Opinion

We have audited the accompanying financial report, being a special purpose finance report, of Young Regional Conservatorium Incorporated, which comprises the statement of financial position as at 30 June 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee's declaration.

In our opinion, the financial report of Young Regional Conservatorium Incorporated has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with relevant Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared to assist the entity to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and current funding providers. As a result, the financial report may not be suitable for any other purpose.

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* section of our report. We are independent of the Association 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.

Information Other than the Financial Report and Auditor's Report Thereon

The committee are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Committees' Responsibility for the Financial Report

The committee is responsible for the preparation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the committee 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, the committee 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 committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

JOHN L BUSH & CAMPBELL
Chartered Accountants



David Rosetta
Partner

Wagga Wagga
5 September 2022