

Frontyard Projects Inc. Income Statement
for period covering 01/01/2019 to 31/12/2019
(in A\$)

NB: The numbers in brackets refer to the corresponding notes.

Revenues	2018	2019	Expenses	2018	2019
Income	4,263.17	4,961.47	Expenses	5,147.54	4,570.45
<i>Donations for</i>	2,718.82	1,822.72	<i>Current expenses</i>	3,644.59	3,357.59
Cleaning	-	-	Cleaning	10.60	-
Electricity	550.00	330.00	Electricity	824.65	740.77
Equipment	-	71.05	Equipment	-	178.03
Food	300.00	100.00	Food	462.08	63.81
Garden	-	-	Garden	110.45	373.45
Insurance	-	-	Insurance	635.00	650.00
Internet	242.27	240.69	Internet	770.15	780.57
Legal fees	45.18	46.18	Legal fees	45.18	46.18
Office and workshop supplies	160.00	100.00	Office and workshop supplies	2.00	-
Refreshments	180.00	184.95	Refreshments	-	7.75
Rent	370.00	200.00	Rent	517.04	517.03
Risograph supplies	130.00	240.00	Risograph supplies	-	-
Transport	54.92	-	Transport	267.44	-
Unspecified	436.45	209.85	<i>Grant expenses (10c)</i>	1,500.00	1,200.00
Water	250.00	100.00	Production expenses	1,500.00	1,200.00
<i>Contributions to running costs</i>	880.00	760.00	<i>Miscellaneous</i>	2.95	12.86
<i>Grant income (9a, 10a)</i>	-	2,000.00	Surplus/(Deficit) for period	(884.37)	391.02
<i>Grant administration (9a, 10b)</i>	-	368.56	Transfer from (+)/ to (-)		
<i>Workshops</i>	653.17	-	<i>Special reserve - CoS research funds (14a)</i>	1,497.18	1,198.50
<i>Interest income</i>	11.08	10.07	Retained earnings	612.81	1,589.52
<i>Other Income</i>	0.10	0.12			

Frontyard Projects Inc. Balance Sheet

as at 31/12/2019

(in A\$)

NB: The numbers in brackets refer to the corresponding notes.

Assets	2018	2019	Liabilities	2018	2019
<i>Current assets</i>	9,698.55	9,123.45	<i>Current liabilities (9b)</i>	966.12	-
Petty cash (11)	76.10	227.54	Accounts payable (8a)	258.52	-
Frontyard bank account	7,421.18	7,749.67	Grant monies (13)	707.60	-
CoS research funds bank account	2,201.27	1,002.77	Total Liabilities	966.12	-
Accounts receivable (8b)	-	143.47	Equity (14)		
<i>Non-current assets</i>	-	1.00	Retained earnings	4,531.16	6,121.68
Library (9b, 12b)	-	1.00	Special reserve - CoS research funds	2,201.27	1,002.77
			Special reserve - relocation	2,000.00	2,000.00
			Total Equity	8,732.43	9,124.45
Total Assets	9,698.55	9,124.45	Total Liabilities & Equity	9,698.55	9,124.45

Frontyard Projects Inc. Notes
accompanying the Financial Statements
for the period 1/1/2019 - 31/12/2019

- (1) Frontyard Projects Inc. (hereafter, fy) is a non-charitable, not-for-profit and tax-exempt association, incorporated on the 25/1/2016 under the New South Wales *Associations Incorporation Act 2009*. Its vision is to establish a network of people that provides a pro-active, flexible space for practical skills-sharing, community and critical research, with arts at its heart. It strives to become Australia's first Not-Only-Artist Run Initiative: using the arts as a catalyst within its neighbourhoods for their future sustainment by aiming to contribute to its neighbourhoods, agitate, facilitate and nurture collaborations between people, work towards a more resilient, independent arts community and lobby local, state and federal governments to increase recognition and support for the arts.
- (2) fy funds its activities mostly through grants, donations of its members and friends, and contributions to running costs by event partners. In 2016, fy had also received a grant from the City of Sydney (CoS) for the Non-Cash Assets Project (NCAP). These funds are subject to the grant's terms and conditions and can only be used for this specific project. See also notes (10c) and (14).
- (3) As a Tier 2 association (annual gross receipts of less than \$250,000 and current assets of less than \$500,000), fy has to only meet the following financial reporting requirements:
The committee must ensure the financial statements for the association, and any trust for which the association acts as a trustee, are prepared as soon as possible after the end of the association's financial year, for submission to the annual general meeting (AGM).
The financial statements must include:
1. *an income and expenditure statement that sets out appropriately classified individual sources of income and individual expenses incurred in the operation of the association*
 2. *a balance sheet at the end of the financial year, that sets out current and non-current assets and liabilities*
 3. *a separate income and expenditure statement and balance sheet for each trust for which the association is the trustee [not applicable], and*
 4. *details of any mortgages, charges and other securities affecting any property owned by the association [not applicable].*
- (4) As a Tier 2 association, fy's financial statements do not need to be prepared in accordance with the Australian Accounting Standards. However, fy's income statement and balance sheet are prepared following, as far as applicable and subject to cost-benefit considerations, the general principles of Australian Accounting Standards.
- (5) fy's financial statements are not audited. NSW Fair Trading may direct an association to conduct an audit of its financial records and request an auditor's report within a specified period, regardless of whether a tier 1 or tier 2 association or any previous audit.
- (6) fy's financial statements and these accompanying notes have been prepared by the co-treasurers, Thomas Kern and Nicholas McGuigan.
- (7) fy's financial year coincides, according to its constitution, with the calendar year.

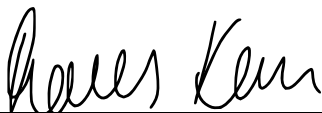
- (8) fy's financial statements are, in general, prepared based on cash accounting. Income/expenses are shown in the period where the respective payments occurred with the following exceptions:
- a. As per 31/12/2018, the accounts payable balance of \$258.52 represented in total outstanding rent payments owed to the Inner West Council for the rented premises at 228 Illawarra Rd., Marrickville. These payments had not been made as at 31/12/2018 due to missing and/or incorrect rent invoices. These issues were resolved, and the outstanding amounts paid in total by 25/2/2019.
 - b. In November 2019, fy received from its electricity provider a credit of \$200 for referring a new customer which was recognised as a donation and can be used to offset electricity charges. The remaining credit as per 31/12/2019 is shown as the balance of accounts receivable.
- (9) Changes to the financial statements:
- a. Income statement: Due to first occurrence, two new income categories, Grant income (see note 10a) and Grant administration (see note 10b) were introduced in 2019.
 - b. Balance sheet: In 2019, the library was for the first time recognised as a non-current asset according to note 12b. To better reflect the nature of fy's liabilities the heading Current liabilities was added.
- (10) Income statement:
- a. In April 2019, fy received a discretionary grant of \$2,000 from the Sidney Myer Fund, Sydney, without any conditions attached. This grant is shown as grant income.
 - b. fy auspices grants for projects of affiliated recipients that align with fy's objects and values. Monies earned for the administration of these grants are shown as grant administration income.
 - c. In 2019, Phase III of the NCAP was undertaken which led to grant expenses of \$1,200. These expenses are covered by the special reserve as per note (14). Without these expenses, fy would have shown a surplus of \$1,591.02 for the financial year 2019.
- (11) Current assets: In order to document cash donations that are collected during events at fy and to ensure an orderly documentation of petty cash spent, a monthly reconciliation of petty cash is undertaken.
- (12) Non-current assets:
- a. General policy: fy's financial statements are prepared under the assumption that it only owns non-current assets of negligible financial value. All furniture, equipment kitchen accessories, garden tools, the risograph etc. currently in possession of fy are second-hand and either gifted or borrowed. All newly acquired non-current assets (like a library display cabinet) had cost of less than \$500 and were accordingly expensed. fy does not own real estate property and resides at rented premises.
 - b. Notwithstanding a., fy committee reserves the option to show non-current assets on the balance sheet with a symbolic amount of \$1 in order to recognise their invaluable value for the fy community. In 2019, the library as a whole was recognised as such an invaluable asset against Retained earnings.
- (13) Liabilities: fy auspices grants for projects of affiliated recipients that align with fy's objects and values. Grants received and administered on behalf of the grant recipients are shown with their remaining balances as per reporting date as liabilities under Grant monies.

(14) Equity: To make transparent the special quality of certain funds, the following reserves had been created within fy's equity as per 31/12/2016:

- a. 'Special reserve - CoS research funds' of initially \$3,694.79 for the City of Sydney NCAP grant as per note (2). These funds can only be spent for NCAP related expenses, and are not available for any other fy activities. To reflect the expenses incurred in 2019 (see above note 10c) and to align the reserve balance with the corresponding bank account balance, \$1,200 (grant expenses) were transferred from, and \$1.50 (accrued bank interest) were transferred to this reserve at the end of the financial year.
- b. 'Special reserve – relocation' of \$2,000.00. This amount is set aside for the event of a cancellation of the lease agreement for fy's premises at 228 Illawarra Rd., Marrickville, which can be cancelled by the landlord on short notice.

Taking into account the transfers from and to the 'Special reserve - CoS research funds' as per above a., the balance of \$1,589.52 was transferred to retained earnings. This increase in retained earnings represents fy's operating surplus for the financial year 2019.

Sydney, 8/5/2020



Thomas Kern (Co-Treasurer)



Nicholas McGuigan (Co-Treasurer)

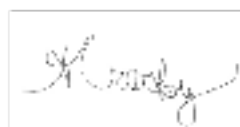
We certify that these financials statements and notes give a true and fair view of the financial performance and position of Frontyard Projects Inc during and at the end of the financial year of the association ending 31th December 2019.

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

Sydney, 25/5/2020



Julia Bavyka
(Co-Chair of the Committee)



Alexandra Crosby
(Co-Secretary)

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