

Frontyard Projects Inc. Income Statement
for period covering 01/01/2018 to 31/12/2018
(in A\$)

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

Revenues	2017	2018	Expenses	2017	2018
Income	6,606.70	4,263.17	Expenses	3,800.06	5,147.54
<i>Donations for</i>	3,335.66	2,718.82	<i>Current expenses</i>	3,792.76	3,644.59
Cleaning	66.00	-	Cleaning	97.65	10.60
Electricity	575.00	550.00	Electricity	946.37	824.65
Equipment	-	-	Equipment	244.00	-
Food	290.90	300.00	Food	284.55	462.08
Garden	-	-	Garden	-	110.45
Insurance	435.00	-	Insurance	492.45	635.00
Internet	325.00	242.27	Internet	825.41	770.15
Legal fees	44.18	45.18	Legal fees	44.18	45.18
Office and workshop supplies	160.00	160.00	Office and workshop supplies	41.56	2.00
Refreshments	230.00	180.00	Refreshments	90.00	-
Rent	295.00	370.00	Rent	517.04	517.04
Risograph supplies	347.08	130.00	Risograph supplies	-	-
Transport	-	54.92	Transport	209.55	267.44
Unspecified	267.50	436.45	<i>Grant expenses (10)</i>	-	1,500.00
Water	300.00	250.00	Production expenses	-	1,500.00
<i>Workshops</i>	1,820.00	653.17	<i>Miscellaneous</i>	7.30	2.95
<i>Contributions to running costs (9)</i>	1,442.50	880.00	Surplus/(Deficit) for period	2,806.64	(884.37)
<i>Interest income</i>	8.54	11.08	Transfer from (+)/ to (-)		
<i>Other Income</i>	-	0.10	<i>Special reserve - CoS research funds (13)</i>	(3.66)	1,497.18
			Retained earnings	2,802.98	612.81

Frontyard Projects Inc. Balance Sheet
as at 31/12/2018
(in A\$)

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

Assets	2017	2018	Liabilities	2017	2018
Current assets			Accounts payable (8)	-	258.52
Petty cash (11)	68.35	76.10	Grant monies (9)	4,500.00	707.60
Frontyard bank account	10,350.00	7,421.18	Total Liabilities	4,500.00	966.12
CoS research funds bank account	3,698.45	2,201.27	Equity (13)		
			Retained earnings	3,918.35	4,531.16
			Special reserve - CoS research funds	3,698.45	2,201.27
			Special reserve - relocation	2,000.00	2,000.00
			Total Equity	9,616.80	8,732.43
Total Assets	14,116.80	9,698.55	Total Liabilities & Equity	14,116.80	9,698.55

Frontyard Projects Inc. Notes
accompanying the Financial Statements
for the period 1/1/2018 - 31/12/2018

- (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 donations of its members and friends, the provision of workshops 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 (10) and (13).
- (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 payment occurred. The only exception relates to accounts payable where material amounts owed by FY are recorded. As per 31/12/2018, the balance of \$258.52 represents in total outstanding rent payments owed to the Inner West Council for the rented premises at 228 Illawarra Rd., Marrickville. These payments have not been made due to missing and/or incorrect rent invoices. As per the date of preparation of these statements, these issues are resolved and the outstanding amounts were paid in total.
- (9) Changes to accounting policies:
- a. To better reflect the nature of grant monies that FY receives and holds on behalf of grant recipients affiliated with FY, as per 1/1/2018, a new category of current liabilities 'Grant monies' was introduced to distinguish them from other accounts payable. In December 2017, FY received from the Inner West Council and holds on behalf of the grant recipients ('Field Trip' project), a grant of \$4,500. In the preceding statements, these funds were shown as accounts payable. With introduction of the new category as per 1/1/2018, they were transferred to 'Grant monies'. During the financial year 2018, \$3792.40 of these were spent and paid, resulting in a remaining balance of \$707.60.
 - b. To better reflect the nature of contributions made by events partners at FY's premises the respective income item was renamed 'Contributions to running costs'.
- (10) Income statement: In 2018, Phase II of the NCAP was undertaken which led to grant expenses of \$1,500. These expenses are covered by the special reserve as per note (13). Without these expenses, FY would have shown a surplus of \$615.63 for the financial year 2018.
- (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: FY's financial statements were prepared under the assumption that it only owns non-current assets of negligible financial value. All furniture, equipment, books, 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.
- (13) 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 2018 (see above note (10)) and to align the reserve balance with the corresponding bank account balance, \$1,500 (grant expenses) were transferred from, and \$2.82 (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 remaining balance of \$612.81 was transferred to retained earnings. This increase in retained earnings represents FY's operating surplus for the financial year 2018.

Sydney, 7/3/2019



Thomas Kern (Co-Treasurer)



Nicholas McGuigan (Co-Treasurer)



Constance Anthes
(Chair of the Committee and Public Officer)



Carolyn Mckenzie-Craig
(Secretary)