

WOMAN MADE GALLERY

FINANCIAL STATEMENTS

June 30, 2010 and 2009

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June 30, 2010 and 2009

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To the Board of Directors of
Woman Made Gallery

Independent Auditor's Report

We have audited the accompanying statements of financial position of Woman Made Gallery (An Illinois nonprofit corporation) as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woman Made Gallery as of June 30, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



EILTS & ASSOCIATES, INC.
Chicago, IL
January 28, 2011

WOMAN MADE GALLERY
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	ASSETS	June 30, 2010	June 30, 2009
CURRENT ASSETS			
Cash and cash equivalents		\$ 6,991	\$ 12,107
Accounts receivable		982	1,252
Grant receivable		5,480	-
Prepaid expenses		-	732
Net current assets		13,453	14,091
FIXED ASSETS			
Furniture and fixtures		8,945	8,945
Software		2,536	2,536
Computer equipment		18,658	17,091
Less: accumulated depreciation		(23,822)	(20,136)
Net fixed assets		6,317	8,436
OTHER ASSETS			
Security deposit		6,000	6,000
Art collection		13,315	13,315
Net other assets		19,315	19,315
TOTAL ASSETS		\$ 39,085	\$ 41,842
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 152	\$ 3,753
Bank line of credit		873	-
Total current liabilities		1,025	3,753
NET ASSETS			
Unrestricted net assets		24,745	22,274
Temporarily restricted net assets		13,315	15,815
Total net assets		38,060	38,089
TOTAL LIABILITIES AND NET ASSETS		\$ 39,085	\$ 41,842

The accompanying notes are an integral part of the financial statements

WOMAN MADE GALLERY

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2010 and 2009

	June 30, 2010			June 30, 2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Sales	\$ 20,275	\$ -	\$ 20,275	\$ 36,969	\$ -	\$ 36,969
Exhibition entry fees	31,180	-	31,180	30,221	-	30,221
Fundraising/events	43,093	-	43,093	60,835	-	60,835
Fundraising/events in-kind	18,925	-	18,925	33,832	-	33,832
In-kind donations other	22,358	-	22,358	33,673	-	33,673
Membership dues	13,960	-	13,960	20,127	-	20,127
Donations	30,207	-	30,207	28,829	-	28,829
Grants	33,980	-	33,980	32,580	5,000	37,580
Workshop fees	215	-	215	2,615	-	2,615
Web Gallery	8,970	-	8,970	9,094	-	9,094
Total support and revenue	223,163	-	223,163	288,775	5,000	293,775
EXPENSES						
Program expenses	142,123	2,500	144,623	186,296	7,500	193,796
General and administrative	40,263	-	40,263	41,526	-	41,526
Fundraising expenses	38,306	-	38,306	51,664	-	51,664
Total expenses	220,692	2,500	223,192	279,485	7,500	286,985
NET INCREASE/(DECREASE) IN NET ASSETS	\$ 2,471	\$ (2,500)	\$ (29)	\$ 9,290	\$ (2,500)	\$ 6,790
CHANGES IN NET ASSETS						
NET ASSETS, BEGINNING OF YEAR	\$ 22,274	\$ 15,815	\$ 38,089	\$ 12,984	\$ 18,315	\$ 31,299
CURRENT YEAR INCREASE/(DECREASE)	2,471	(2,500)	(29)	9,290	(2,500)	6,790
NET ASSETS, END OF YEAR	<u>\$ 24,745</u>	<u>\$ 13,315</u>	<u>\$ 38,060</u>	<u>\$ 22,274</u>	<u>\$ 15,815</u>	<u>\$ 38,089</u>

The accompanying notes are an integral part of the financial statements

WOMAN MADE GALLERY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010

EXPENSES	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Commissions	\$ 10,640	\$ -	\$ -	\$ 10,640
Occupancy	36,169	6,383	-	42,552
Salaries	38,487	10,263	2,566	51,316
Payroll taxes	2,945	785	196	3,926
Marketing and advertising	4,298	-	-	4,298
Bank and credit card charges	2,855	504	-	3,359
Shipping	3,206	-	-	3,206
Insurance	2,432	1,010	-	3,442
Printing	8,860	-	-	8,860
Telephone	2,607	460	-	3,067
Professional fees and consulting	9,782	9,632	-	19,414
Other in-kind expenses	17,080	5,278	-	22,358
Repairs and maintenance	1,497	264	-	1,761
Event expenses	3,690	-	16,619	20,309
Event expenses (in-kind)	-	-	18,925	18,925
Subscriptions	-	290	-	290
Licensing fees	-	766	-	766
Office expenses/supplies	-	113	-	113
Depreciation expense	-	3,686	-	3,686
Miscellaneous	75	575	-	650
Interest expense	-	254	-	254
Total expenses	\$ 144,623	\$ 40,263	\$ 38,306	\$ 223,192

The accompanying notes are an integral part of the financial statements

WOMAN MADE GALLERY

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2009

EXPENSES	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Commissions	\$ 16,431	\$ -	\$ -	\$ 16,431
Occupancy	39,282	6,932	-	46,214
Salaries	43,610	11,629	2,907	58,146
Payroll taxes	3,336	890	222	4,448
Marketing and advertising	5,261	-	-	5,261
Bank and credit card charges	4,871	860	-	5,730
Shipping	2,911	-	-	2,911
Insurance	1,348	-	-	1,348
Printing	10,312	-	-	10,312
Telephone	2,963	523	-	3,486
Professional fees and consulting	25,503	8,393	-	33,896
Other in-kind expenses	29,218	4,455	-	33,673
Repairs and maintenance	3,067	541	-	3,608
Event expenses	5,684	-	14,702	20,386
Event expenses (in-kind)	-	-	33,832	33,832
Subscriptions	-	209	-	209
Licensing fees	-	396	-	396
Office expenses/supplies	-	2,302	-	2,302
Depreciation expense	-	3,886	-	3,886
Miscellaneous	-	510	-	510
Total expenses	\$ 193,796	\$ 41,526	\$ 51,664	\$ 286,985

The accompanying notes are an integral part of the financial statements

WOMAN MADE GALLERY

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	June 30, 2010	June 30, 2009
Cash Flows from Operating Activities:		
Change in net assets	\$ (29)	\$ 6,790
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,686	3,886
(Increase)/Decrease in:		
Accounts receivable	270	(494)
Grants receivable	(5,480)	-
Prepaid expenses	732	(74)
Increase/(Decrease) in:		
Accounts payable and accrued expenses	(3,601)	893
Net Cash Provided by/(Used by) Operating Activities	(4,422)	11,001
Cash Flows from Investing Activities:		
Purchase of equipment and furniture	(1,567)	(974)
Net Cash Provided by/(Used by) Investing Activities	(1,567)	(974)
Cash Flows from Financing Activities:		
Increase in line of credit balance	873	-
Net Cash Provided by/(Used by) Financing Activities	873	-
 Net Increase/(Decrease) in Cash	 (5,116)	 10,027
Cash and cash equivalents - beginning of year	12,107	2,080
Cash and cash equivalents - end of year	\$ 6,991	\$ 12,107
 Interest expense paid	 \$ 254	 \$ -

The accompanying notes are an integral part of the financial statements

WOMAN MADE GALLERY

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Woman Made Gallery is an Illinois nonprofit corporation which supports and cultivates the contributions of women artists through exhibitions, educational programs and community outreach. Unlike the mainstream art world, Woman Made Gallery is building an alternative community where the artistic values and criteria are determined by women, for women. Woman Made Gallery is dedicated to promoting the equal placement of women's art in the world. Through programming which examines the female condition, the Gallery educates and serves as forum for dialogue between artists and the community.

Basis of Accounting – The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - These financial statements report amounts separately by class of net assets. The separate classes of net assets are defined as follows:

Unrestricted - Amounts that are currently available for use in the Organization's operations and for the acquisition of equipment.

Temporarily Restricted - Amounts that are restricted by the passage of time or use.

Permanently Restricted - Amounts that are stipulated by donors to be maintained permanently.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Woman Made Gallery. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

WOMAN MADE GALLERY

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Donated Services - Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Amounts have been reflected in the financial statements for donated services. Additionally, many individuals do volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Expense Allocation - Directly identifiable expenses are charged to programs, general and administrative expenses and fundraising expenses. Expenses related to more than one function are allocated to programs, general and administrative expenses and fundraising expenses based upon time and materials spent in each function.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. The Organization is not classified as a private foundation.

WOMAN MADE GALLERY

NOTES TO FINANCIAL STATEMENTS For the Years Ended June 30, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Support and Revenue - Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of support, revenue expenses and change in fund balances as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Sales revenue is recognized on the date of sale. Exhibition entry fees and membership dues are recognized on the date cash is received.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. As of June 30, 2010, the total of property and equipment is \$30,139. Depreciation is computed using the straight-line method over three, five and seven years. Depreciation expense for the years ended June 30, 2010 and 2009 is \$3,686 and \$3,886, respectively. Accumulated depreciation as of June 30, 2010 and 2009 is \$23,822 and \$20,136, respectively.

NOTE 3 – DONATED SERVICES AND MATERIALS

Woman Made Gallery received donated services and materials during the year, the amounts have been recognized in the accompanying Statements of Activities, listed on Page 3, and Statement of Functional Expense, listed on Page 4 and Page 5.

WOMAN MADE GALLERY

**NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2010 and 2009**

NOTE 4 – LEASING ARRANGEMENTS AND EXPENSES

In October 2005, the Organization entered into a lease for its gallery space - 3,500 square feet of space at 685 N. Milwaukee in Chicago, IL. The five year lease started on November 1, 2005 and continued through October 31, 2009, when a new lease was entered into with the existing landlord.

In November 2009, the Organization entered into a new lease for its gallery space, reducing the monthly rent from \$3,375 to \$3,025, and extending the term till October 31, 2013. A \$6,000 security deposit was required. Rent expense for the years ended June 30, 2010 and 2009 was \$37,313 and \$38,956, respectively.

Woman Made Gallery's expected lease amounts, (not including common utilities and pass through property taxes) are as follows:

Year ending June 30, 2011	\$ 36,300
Year ending June 30, 2012	36,996
Year ending June 30, 2013	37,344
Four months ending October 31, 2013	<u>12,448</u>
Total	<u>\$ 123,088</u>

NOTE 5 – ART COLLECTION

Art Collection represents all artwork donated and purchased. This art work has been determined to be a temporarily restricted asset.

NOTE 6 – ACCRUED EXPENSES

Accrued expenses consist of the sales tax payable of \$152.

WOMAN MADE GALLERY

NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2010 and 2009

NOTE 7 – LOAN OBLIGATIONS

The Organization has taken out a \$ 10,000 line of credit with JP Morgan Chase Bank, N.A. The \$10,000 of available credit accrues interest at .75% over prime. The prime rate as of June 30, 2010 was 4.00 %.

As of June 30, 2010 \$873 was the balance outstanding on this line. Interest expense paid for the fiscal year ending June 30, 2010 was \$ 253.