

WAYNE COUNTY ARTS ALLIANCE

FINANCIAL STATEMENTS

DECEMBER 31, 2006

Wayne County Arts Alliance
Table of Contents
December 31, 2006

	<u>Page</u>
ACCOUNTANTS REVIEW REPORT	2
Financial Statements	
Statement of Assets, Liabilities, and Net Assets	3
Statement of Revenues, Expenses, and other Changes in Net Assets	4
Notes to Financial Statements	5-6
Schedule of Supplemental Information	7

Wayne County Arts Alliance
Statement of Assets, Liabilities, and Net Assets
As of December 31

	<u>2006</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 28,217
Security Deposit	<u>160</u>
Total Current Assets	28,377
PROPERTY AND EQUIPMENT	
Office Equipment (See Note 2)	3,483
Less: Accumulated Depreciation	<u>611</u>
Net Property and Equipment	2,872
TOTAL ASSETS	\$ <u>31,249</u>

LIABILITIES AND NET ASSETS	
LIABILITIES	
Total Liabilities	\$ 0
NET ASSETS	
Unrestricted Net Assets	<u>31,249</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>31,249</u>

See accountant's review report and accompanying notes to financial statement, which are an
integral part of this statement.

Wayne County Arts Alliance
Statement of Revenues, Expenses, and other Changes in Net Assets
For the Year Ended December 31, 2006

	<u>2006</u>
Unrestricted Revenue and Support:	
Public Support	\$ 8,065
Grants	4,314
Program Service Revenue	28,925
Membership Dues	7,358
Other Income	<u>627</u>
Total Unrestricted Revenue and Support:	49,289
Expenses:	
Program Services	31,890
Management and General	12,556
Fundraising	<u>3,244</u>
Total Expenses:	<u>47,690</u>
Increase in Net Assets from Operations	\$ <u>1,599</u>
Net Assets – Beginning of Year	<u>29,650</u>
Net Assets – End of Year	\$ <u><u>31,249</u></u>

See accountant's review report and accompanying notes to financial statement, which are an
integral part of this statement.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The Wayne County Arts Alliance was incorporated as a Non-Profit entity on October 29, 2003. Contributors may rely on the letter of advance ruling dated April 5, 2004 to deduct their contributions for federal tax purposes. The advance ruling period expires on December 31, 2007. Donors may rely on the advance ruling letter until 90 days after the advance ruling period expires for federal income tax purposes. The organization will be required to document, to the Internal Revenue Service, the continued support of the public for its activities on an annual basis to retain its exempt status.

Basis of Accounting

The Wayne County Arts Alliance prepares its financial statements using the cash basis method of accounting, recognizing income when received and expenses when paid.

Property and Equipment

Property and equipment which has been purchased is stated at cost. Donated assets are capitalized at the estimated fair market value at date of receipt. (See Note 2) Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Contributions are recognized on the date received.

Contributed Services and Materials

Contributed services are not reported in the financial statements.

Donated materials are recorded at their fair value at the date of the gift.

Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Schedule of Supplemental Information. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

See accountant's review report and accompanying notes to financial statement, which are an integral part of this statement.

Wayne County Arts Alliance
Notes to Financial Statements
December 31, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Wayne County Arts Alliance is a not-for-profit organization. It is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, except on net income derived from unrelated activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Note 2 PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31:

	<u>2006</u>	<u>Estimated Useful Lives</u>
Computer	\$ 1,126	3 years
Office Furniture	<u>2,357</u>	10 years
	3,483	
Less: Accumulated Depreciation	<u>(611)</u>	
	<u>\$ 2,872</u>	

Depreciation expense was \$611 for the year ended December 31, 2006. (See Note 1)

Note 3 LONG-TERM DEBT

The Wayne County Arts Alliance has no long-term debt.

See accountant's review report and accompanying notes to financial statement, which are an integral part of this statement.

Wayne County Arts Alliance
Schedule of Supplemental Information
As of December 31

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2006</u>
EXPENSES BY FUNCTION				
Advertising	\$ 331	\$ --	\$ 331	\$ 662
Annual Meeting	--	759	--	759
Bank Fees	--	131	--	131
Bird Buddies	437	--	--	437
Bus Trip	1,128	--	--	1,128
Depreciation Expense	--	611	--	611
Electric	--	471	--	471
Grant Writing	--	--	720	720
Insurance	--	988	--	988
Internet	--	542	--	542
Library Fest	257	--	--	257
Memberships to Organizations	200	--	--	200
Miscellaneous	--	307	--	307
Models	530	--	--	530
Newsletter	1,698	--	--	1,698
Office – Other	--	3,613	--	3,613
Office Equipment & Repair	--	844	--	844
Open Mike Nights	197	--	--	197
Postage	189	189	190	568
Project Expenses	7,487	--	--	7,487
Rent	850	850	--	1,700
Scholarships	750	--	--	750
Services	9,874	1,851	617	12,342
Stationary & Printing	1,691	845	845	3,381
Studio Tour	5,653	--	--	5,653
Taxes	--	15	--	15
Telephone	120	540	541	1,201
Writer's Conference	<u>498</u>	<u>--</u>	<u>--</u>	<u>498</u>
TOTAL EXPENSES BY FUNCTION	<u>\$ 31,890</u>	<u>\$ 12,556</u>	<u>\$ 3,244</u>	<u>\$ 47,690</u>

See accountant's review report and accompanying notes to financial statement, which are an integral part of this statement.