

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

YEARS ENDED DECEMBER 31, 2008 AND 2007

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART

CONTENTS

Independent Auditor's Report	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4
Statement of Functional Expenses-Program services 2008	5
Statement of Functional Expenses-Program services 2007	6
Statements of Cash Flows	7
Notes to Financial Statements	8 -11

RUZICKA & ASSOCIATES, LTD.

Certified Public Accountants

Board of Directors

Intuit: The Center For Intuitive and Outsider Art.

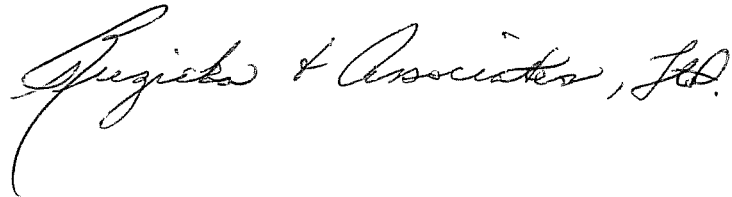
Independent Auditor's Report

We have audited the accompanying statements of financial position of Intuit: The Center For Intuitive and Outsider Art at December 31, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Intuit'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 audit provides 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 Intuit: The Center For Intuitive and Outsider Art at December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

February 4, 2009

A handwritten signature in cursive script that reads "Ruzicka & Associates, Ltd." The signature is written in dark ink and is positioned to the right of the date.

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008				2007				
	Program Services	Support Services		Total Expenses	Program Services	Support Services		Total Expenses	
		Administrative	Fund Raising			Administrative	Fund Raising		
Salaries	\$ 111,001	12,785	57,976	70,761	\$ 123,865	9,208	41,255	50,463	174,328
Payroll taxes	8,491	978	4,435	5,413	13,009	1,336	4,467	5,803	18,812
Employee benefits	10,312	2,069	4,140	6,209	9,648	999	3,054	4,053	13,701
Professional fees	7,336	19,585	1,004	20,589		18,217		18,217	18,217
Contractual services	49,568	6,750	240	6,990	52,208	262	4,113	4,375	56,583
Honoraria	9,350				21,307				21,307
Depreciation	10,266	1,182	5,362	6,544	11,413	845	3,791	4,636	16,049
Equipment rental, maintenance, and repair		5,709		5,709					
Insurance	8,928	953	4,321	5,274	8,672	1,103		1,103	9,775
Marketing	11,317				17,933	390	327	717	18,650
Occupancy	16,784	5,488		5,488	18,010	5,963		5,963	23,973
Space rental	29,635				34,780				
Interest	8,982	3,005		3,005	8,654	2,895		2,895	11,549
Printing	35,107	1,214	513	1,727	48,468	1,109	2,992	4,101	52,569
Travel and entertainment	14,857		42	42	10,713	180		180	10,893
Supplies	5,887	2,278	22	2,300	26,198	7,577	10,393	17,970	44,168
Meetings and staff development		691	2,655	3,346	888	3,220	2,867	6,087	6,975
Postage and shipping	25,183	2,067	508	2,575	11,799	5,585	715	6,300	18,099
Telephone	2,505	205	930	1,135	1,635	121	543	664	2,299
Vision store expenses	15,886				14,964				14,964
Other	6,841	10,894	493	11,387	1,950	10,813	35	10,848	12,798
Total	\$ 388,236	75,853	82,641	158,494	\$ 436,114	69,823	74,552	144,375	545,709

See independent auditor's report and notes to financial statements.

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART
STATEMENT OF FUNCTIONAL EXPENSES-PROGRAM SERVICES

YEAR ENDED DECEMBER 31, 2008

Robert A.
Roth
Study
Center

	Exhibitions	Education	Permanent Collection	Robert A. Roth Study Center	Intuit Show	Membership	Marketing	Vision Store	Outsider Magazine	Total
Salaries	\$ 20,801	28,614	16,992		3,235	18,842	7,551	8,242	6,724	111,001
Payroll taxes	1,591	2,189	1,300		247	1,441	578	631	514	8,491
Employee benefits	2,695	4,541	2,125		16	634	18	25	258	10,312
Professional fees	1,004	1,004	1,312			1,004	1,004	1,004	1,004	7,336
Contractual services	13,037	8,051	10,680		2,500	9,450	400		5,450	49,568
Honoraria	2,500	1,600			250				5,000	9,350
Depreciation	1,924	2,646	1,572		299	1,743	698	762	622	10,266
Insurance	2,206	2,133	1,266		241	1,404	563	614	501	8,928
Marketing		15			5,698	845	4,759			11,317
Occupancy	6,349	5,144	1,630					3,661		16,784
Space rental					29,635					29,635
Interest	3,366	2,768	878					1,970		8,982
Printing	9,646	154	1,879		6,940	67	366			35,107
Travel and entertainment	142	7,094	10	82	5,054	500	1,975			14,857
Supplies	2,770	651	1,631	213	56	528		38		5,887
Postage and shipping	18,781		936		3,381	662		163	1,260	25,183
Telephone	334	459	273		52	1,026	121	132	108	2,505
Vision store expenses								15,886		15,886
Other		5,698	97	365	439	96		125	21	6,841
Total	\$ 87,146	72,761	42,581	660	58,043	38,242	18,033	33,253	37,517	388,236

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART
STATEMENT OF FUNCTIONAL EXPENSES-PROGRAM SERVICES
YEAR ENDED DECEMBER 31, 2007

Robert A.
Roth
Study
Center

	Exhibitions	Education	Permanent Collection	Robert A. Roth Study Center	Intuit Show	Membership	Marketing	Vision Store	Outsider Magazine	Total
Salaries	\$ 27,020	30,408	10,511			26,888	8,834	14,630	5,574	123,865
Payroll taxes	2,947	3,255	1,022			2,907	852	1,405	621	13,009
Employee benefits	3,054	3,825	1,199			1,256			314	9,648
Contractual services	12,392	1,228	12,910	485	3,333	16,800		485	7,908	52,208
Honoraria	6,800	5,799					300		5,075	21,307
Depreciation	2,485	2,799	970			2,478	817	1,347	517	11,413
Insurance			4,357							8,672
Marketing	595				4,315					17,933
Occupancy	6,680	5,494	1,742	184	10,321	6,833	184	3,910		18,010
Space rental					34,780					34,780
Interest	3,243	2,667	846							8,654
Printing	8,580	1,389			6,260	335			31,904	48,468
Travel and entertainment	5,921	3,649	125		449		569			10,713
Supplies	409	2,848	937	1,406	19,937	573		88		26,198
Meetings and staff development	662		126			100				888
Postage and shipping	9,397		483	233		585		161	940	11,799
Telephone	356	401	139			355	117	193	74	1,635
Vision store expenses								14,964		14,964
Other	38	910			139	777		85	1	1,950
Total	\$ 90,579	64,672	35,367	2,308	79,334	59,887	11,673	39,166	52,928	436,114

See independent auditor's report and notes to financial statements

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 88,648	\$ (52,344)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,811	16,049
Amortization of loan origination fees		
(Increase) in receivables	(24,273)	(4,754)
Decrease (increase) in prepaid expenses	7,341	(7,694)
Decrease in inventory	787	1,554
(Decrease) increase in accounts payable and accrued expenses	(55,911)	11,012
(Decrease) in prepaid booth rental	(25,100)	(6,550)
(Decrease) in unearned government grants	(473)	(3,780)
	7,830	(46,507)
Net cash provided (used) by operating activities		
Cash flows from investing activities:		
Purchase of fixed assets	(2,590)	(2,944)
	(2,590)	(2,944)
Net cash used by investing activities		
Cash flows from financing activities:		
Increase in loans payable	22,005	49,216
(Decrease) in mortgage payable	(11,737)	(10,196)
	10,268	39,020
Net cash provided (used) by financing activities		
Net increase (decrease) in cash	15,508	(10,431)
Cash at beginning of year	17,407	27,838
	\$ 32,915	\$ 17,407
Cash at end of year		
Supplementary information		
Interest paid	\$ 11,986	\$ 11,549

See independent auditor's report and notes to financial statements.

INTUIT: THE CENTER FOR INTUITIVE AND OUTSIDER ART

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

1. Nature of Organization:

The mission of Intuit: The Center for Intuitive and Outsider Art is to promote public awareness, understanding, and appreciation of intuitive and outsider art through education, exhibition, collecting, and publishing. Intuit defines 'intuitive and outsider art' as the work of artists with little or no influence from the mainstream art world, and who instead are motivated by their unique personal vision. This definition included art brut, non-traditional folk art, self-taught art, and visionary art. Intuit is a nonprofit organization incorporated under the laws of the state of Illinois. Intuit offers the following programs:

Collections and Exhibits: Management and preservation of Intuit's permanent collection and Study Center, Henry Darger Room Collection, exhibitions and related outreach events.

Education: Adult education, community outreach and Teacher/Fellowship Program that trains Chicago Public School teachers how to create art and curriculum based on self-taught art.

Membership: Programs and incentives to broaden Intuit's base of support, improve communications, cultivate new members, and track effectiveness of efforts.

Marketing: Communications to enhance and expand the audience for intuitive and outsider art.

Visions Store: Intuit's bookstore and gift shop featuring work by and about self-taught and outsider artists.

The Outsider: Intuit's magazine and education and outreach effort that reaches beyond Chicago to advocate better understanding and appreciation of outsider art.

Robert A. Roth Study Center: The Robert A. Roth Study center was created to honor Intuit's founding president. It is a non-circulating collection with a primary focus in the fields of outsider and contemporary self-taught art. The Study Center holdings comprise an extensive and growing library of books, catalogs, monographs, periodicals, slides, photographs, videotapes, and archival materials.

2. Summary of significant accounting policies:

The accompanying financial statements are presented in accordance with the Statement of Accounting Standards No. 117 "Financial Statements of Not-For-Profit Organizations".

Fixed assets

These assets are carried at cost on date of purchase or at estimated value on date of donation. Depreciation is provided by various methods over the estimated useful lives of the assets (39 years for building and building improvements, 7 years for furniture and equipment, and 5 years for computers).

Revenue and expense recognition

Revenue and expenses are recorded on the accrual basis of accounting. All contributions are considered to be available for unrestricted use unless otherwise specifically restricted by donors. Contributions are recorded and recognized as income when notice of award is received. Restricted contributions are recorded as revenue in temporarily restricted net assets if limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of Intuit or in permanently restricted net assets if such contributions are non-expendable. 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 Activities as net assets released from restrictions.

Intuit receives donations of services from various volunteers and vendors. No amounts are reflected in the accounts for donated services and items, as no clearly measurable basis is available to measure such amounts.

Inventory

Inventory is stated at the lower of cost or market value, using the first-in, first-out method. Inventory consists of books and merchandise in the bookshop.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional expenses

Expenses that are common to program and support services are allocated on basis determined by management.

Membership revenue

Membership revenue is earned as received.

3. Net assets:

Intuit classifies its net assets into three categories:

Unrestricted net assets include all of the unrestricted support and revenue of Intuit, all of the expenses of Intuit, and transfers from temporarily restricted net assets for reimbursement of expenditures that meet the restrictions of the donors.

Temporarily restricted net assets include all the restricted support and revenue of Intuit. Transfers are made from this fund to unrestricted net assets as expenditures are incurred which meet the restrictions of the donors.

Permanently restricted net assets include funds received from donors with the stipulation that they be permanently retained by Intuit in perpetuity and that only the income and/or use of the assets are available to Intuit. At December 31, 2007 and 2006 there are no permanently restricted net assets.

4. Income taxes:

Intuit is exempt from federal taxes under section 501(c) (3) of the Internal Revenue Code.

5. Fixed assets:

Fixed assets at December 31, 2008 are comprised of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 67,500	\$ 67,500
Building and improvements	247,962	247,962
Furniture and equipment	28,382	25,792
Computers and software	<u>50,209</u>	<u>50,209</u>
Total cost	394,053	391,463
Less: accumulated depreciation	<u>(117,572)</u>	<u>(100,761)</u>
	<u>\$276,481</u>	<u>\$290,702</u>

Based on a review of recent sales of comparable properties, the market value of the land and building is approximately \$1.1 million.

6. Mortgage payable:

In 2006, Intuit refinanced its mortgage. The mortgage is payable to the Illinois Facilities Fund, in monthly payments of \$1,977, including interest at 5.625% and is collateralized by the building. The final installment is due December 2020. Maturities are as follows:

2009	\$ 12,415
2010	13,132
2011	13,889
2012	14,691
2013	15,539
thereafter	<u>137,009</u>
	<u>\$206,675</u>

7. Loans payable:

Loans payable totaling \$32,000 are due to various members of the board of directors. In addition Intuit has a line of credit of \$100,000 (\$40,000 borrowed at December 31, 2008) at 6.0% due September 17, 2009 and another line of credit of \$10,000 (\$9,221 borrowed at December 31, 2008).

8. Temporarily restricted net assets:

Temporarily restricted net assets are available for the following:

	<u>Received</u>	<u>Receivable</u>	<u>Total</u>
Prince Foundation prorated grant	\$ 22,500	\$ 25,000	\$ 47,500
Driehaus Foundation prorated grant	15,500		15,500
Chicago Community Trust prorated grant	7,500	15,000	22,500
Alphawood Foundation prorated grant	17,500		17,500
Polk Bros. Foundation prorated grant	10,000		10,000
Fry Foundation prorated grant	10,000	20,000	30,000
Contributions restricted for Roth Study Center	<u>3,635</u>		<u>3,635</u>
Total	<u>\$ 86,635</u>	<u>\$ 60,000</u>	<u>\$ 146,635</u>

9 Collection:

Like most art museums, Intuit does not capitalize its collection or display its value in the Statement of Financial Position. The collection is comprised of 1,081 works of art of which 1,021 have been appraised at a total value of \$1,611,985.

10. In-kind:

In-kind goods and services for the year ended December 31, 2008 are as follows:

Contractual services	\$ 5,077
Professional accounting fees	2,265
Exhibit supplies	1,700
Advertising	1,194
Travel	142
Postage and other	<u>202</u>
	<u>\$10,580</u>
Gala auction items	\$100,335
Gala advertising	<u>1,200</u>
	<u>\$101,535</u>