

## **Funder Report Narrative**

2020 was a year like we have never seen. Heading into the year, we were excited about our outlook. After a year of renovations, the Gutman Gallery was scheduled to open on Valentine's Day. Additionally, we were planning to launch a new art fair in Ann Arbor in October called A2 Artoberfest and we were seeing a major increase in the quality of artists that were applying to be a part of our events. Finally, in addition to adding these two new programs, we were looking at a solid fiscal year with an overall netgain.

Of course, as we all know a month after we opened the Gutman Gallery to a packed house, COVID hit and the gallery closed and we had to cancel all of our 2020 Art Fairs. With the cancellation of all of our in-person events, we saw an over 80% decline in our revenue. We applied and received the first round of PPP funding which is reflected in our liabilities as it was not forgiven until January of 2021. Instead of completely draining our cash reserves, we applied for a line of credit using the substantial equity we have in our property at 118 N. Fourth Ave. These liabilities are higher than our cash on hand, but don't account for the equity that remains in our building of over \$700,000. Additionally, we applied for and received more grant funding than we have ever before. Unfortunately, even with making staff reductions, adding new programming, and cutting wherever possible we still ended the year in the red, but were thankful to have made it through.

### Organization Information

Organization name: Michigan Guild of Artists & Artisans  
 City: Ann Arbor  
 State: MI  
 County: Washtenaw  
 Federal ID #: 382300196  
 NISP Discipline: 14 - Multidisciplinary  
 NISP Institution: 17 - Arts Service Organization  
 NTEE: A03 - Professional Societies & Associations  
 Year organization founded: 1970  
 Organization type: 501(c)3 nonprofit organization  
 DUNS #:  
 Full-time staff: 4  
 Board Members: 10  
 Fiscal year end date: 12-31

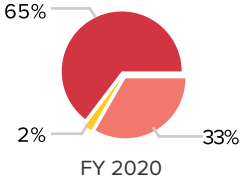
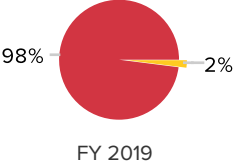
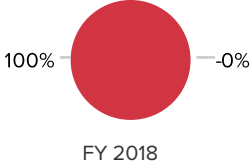
*Applicant is not audited or reviewed by an independent accounting firm.*

### Financial Summary

Unrestricted Activity	FY 2018	FY 2019	% Change	FY 2020	% Change
<b>Unrestricted operating revenue</b>					
Earned program	\$531,065	\$558,075	5%	\$86,110	-85%
Earned non-program	\$128,978	\$175,654	36%		-100%
<b>Total earned revenue</b>	<b>\$660,043</b>	<b>\$733,729</b>	<b>11%</b>	<b>\$86,110</b>	<b>-88%</b>
Investment revenue	-\$546	\$11,606	2,226%	\$3,189	-73%
Contributed revenue			n/a	\$44,431	n/a
<b>Total unrestricted operating revenue</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>13%</b>	<b>\$133,730</b>	<b>-82%</b>
Less in-kind			n/a		n/a
<b>Unrestricted operating revenue less in-kind</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>13%</b>	<b>\$133,730</b>	<b>-82%</b>
<b>Operating expenses</b>					
Program	\$759,256	\$732,568	-4%	\$270,863	-63%
Management & general	\$43,642	\$44,061	1%	\$152,500	246%
Fundraising			n/a		n/a
<b>Total operating expenses</b>	<b>\$802,898</b>	<b>\$776,629</b>	<b>-3%</b>	<b>\$423,363</b>	<b>-45%</b>
Less in-kind			n/a		n/a
<b>Unrestricted operating expenses less in-kind</b>	<b>\$802,898</b>	<b>\$776,629</b>	<b>-3%</b>	<b>\$423,363</b>	<b>-45%</b>
<b>Unrestricted change in net assets - operating</b>	<b>-\$143,401</b>	<b>-\$31,294</b>	<b>78%</b>	<b>-\$289,633</b>	<b>-826%</b>
<b>Unrestricted change in net assets</b>	<b>-\$143,401</b>	<b>-\$31,294</b>	<b>78%</b>	<b>-\$289,633</b>	<b>-826%</b>
Restricted change in net assets			n/a		n/a
<b>Total change in net assets</b>	<b>-\$143,401</b>	<b>-\$31,294</b>	<b>78%</b>	<b>-\$289,633</b>	<b>-826%</b>

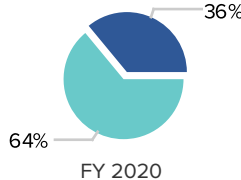
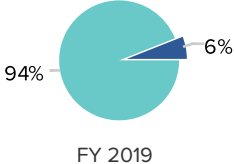
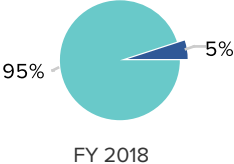
**Unrestricted Operating Revenue by Source**

- Earned
- Investment
- Contributed



**Operating Expenses by Functional Grouping**

- Program
- Management & General
- Fundraising



## Revenue Details

Operating Revenue Earned - Program	FY 2018 Total	FY 2019 Total	FY 2020 Total	FY 2020 Unrestricted	FY 2020 Restricted
Subscriptions					
Membership fees - individuals	\$33,845	\$35,280	\$31,920	\$31,920	\$0
Membership fees - organizations					
Ticket sales & admissions					
Education revenue					
Publication sales					
Gallery sales					
Contracted services & touring fees					
Royalty & reproduction revenue					
Earned - program not listed above	\$497,220	\$522,795	\$54,190	\$54,190	
<b>Total earned - program</b>	<b>\$531,065</b>	<b>\$558,075</b>	<b>\$86,110</b>	<b>\$86,110</b>	
<b>Earned - Non-program</b>					
Rental revenue					
Sponsorship revenue	\$127,540	\$176,041			
Attendee-generated revenue not listed above	\$1,438	-\$387			
Earned non-program not listed above					
<b>Total earned - non-program</b>	<b>\$128,978</b>	<b>\$175,654</b>			
<b>Total earned revenue</b>	<b>\$660,043</b>	<b>\$733,729</b>	<b>\$86,110</b>	<b>\$86,110</b>	

Contributed	FY 2018 Total	FY 2019 Total	FY 2020 Total	FY 2020 Unrestricted	FY 2020 Restricted
Foundation	\$0	\$0	\$15,000	\$15,000	
State government	\$0	\$0	\$20,368	\$20,368	
In-kind operating contributions	\$0	\$0	\$0		
Special fundraising events					
Contributions not listed above	\$0	\$0	\$9,063	\$9,063	
Net assets released from restriction	\$0	\$0	\$0		
<b>Total contributed revenue</b>			<b>\$44,431</b>	<b>\$44,431</b>	
Operating investment revenue	-\$546	\$11,606	\$3,189	\$3,189	
<b>Total operating revenue</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>\$133,730</b>	<b>\$133,730</b>	
<b>Total operating revenue less operating in-kind</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>\$133,730</b>	<b>\$133,730</b>	
<b>Total revenue</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>\$133,730</b>	<b>\$133,730</b>	
<b>Total revenue less in-kind</b>	<b>\$659,497</b>	<b>\$745,335</b>	<b>\$133,730</b>	<b>\$133,730</b>	

## Revenue Narrative

FY 2018	n/a
FY 2019	n/a
FY 2020	Our decline in revenue comes as a result of the Covid pandemic. Our largest source of income has always been our events, and we were unable to produce our events as we have done in the past. Any digital content we were able to pivot and produce were not a source of revenue for us. Instead, they were driven by our mission to support our artists during this very difficult time for them.

## Expense Details

	FY 2018 Total	FY 2019 Total	% Change	FY 2020 Total	% Change	FY 2020 Program	FY 2020 General & Administrative	FY 2020 Fundraising
Personnel expenses - Operating								
W2 employees (salaries, payroll taxes and fringe benefits)	\$305,960	\$317,342	4%	\$278,852	-12%	\$195,980	\$82,872	
Professional fees	\$3,152	\$3,542	12%	\$2,871	-19%	\$2,871		
Total personnel expenses - Operating	\$309,112	\$320,884	4%	\$281,723	-12%	\$198,851	\$82,872	
Non-personnel expenses - Operating								
Occupancy costs	\$25,027	\$17,650	-29%	\$12,545	-29%		\$12,545	
Depreciation	\$16,442	\$13,104	-20%	\$45,971	251%		\$45,971	
Interest expense	\$3,169	\$8,542	170%	\$11,112	30%		\$11,112	
Non-personnel expenses not listed above	\$449,148	\$416,449	-7%	\$72,012	-83%	\$72,012		
Total non-personnel expenses - Operating	\$493,786	\$455,745	-8%	\$141,640	-69%	\$72,012	\$69,628	
Total operating expenses	\$802,898	\$776,629	-3%	\$423,363	-45%	\$270,863	\$152,500	
Total expenses	\$802,898	\$776,629	-3%	\$423,363	-45%			
Total expenses less in-kind	\$802,898	\$776,629	-3%	\$423,363	-45%			
Total expenses less depreciation	\$786,456	\$763,525	-3%	\$377,392	-51%			
Total expenses less in-kind and depreciation	\$802,898	\$776,629	-3%	\$423,363	-45%			

## Expense Narrative

FY 2018	n/a
FY 2019	n/a
FY 2020	n/a

**Balance Sheet**

Assets	FY 2018	FY 2019	% Change	FY 2020	% Change
<b>Current assets</b>					
Cash and cash equivalents	\$174,553	\$226,610	30%	\$178,521	-21%
Receivables	\$20	\$20	0%	\$20	0%
Investments - current			n/a		n/a
Prepaid expenses & other	\$9,574	\$5,278	-45%	\$667	-87%
<b>Total current assets</b>	<b>\$184,147</b>	<b>\$231,908</b>	<b>26%</b>	<b>\$179,208</b>	<b>-23%</b>
<b>Long-term/non-current assets</b>					
Investments - non current			n/a		n/a
Fixed assets (net of accumulated depreciation)	\$167,510	\$184,052	10%	\$146,542	-20%
Non-current assets not listed above			n/a		n/a
<b>Total long-term/non-current assets</b>	<b>\$167,510</b>	<b>\$184,052</b>	<b>10%</b>	<b>\$146,542</b>	<b>-20%</b>
<b>Total assets</b>	<b>\$351,657</b>	<b>\$415,960</b>	<b>18%</b>	<b>\$325,750</b>	<b>-22%</b>
<b>Liabilities &amp; Net Assets</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses			n/a	\$3,653	n/a
Deferred revenue			n/a	\$107,248	n/a
Loans - current			n/a	\$147,309	n/a
Additional current liabilities not listed above	\$36,659	\$33,528	-9%	\$131,000	291%
<b>Total current liabilities</b>	<b>\$36,659</b>	<b>\$33,528</b>	<b>-9%</b>	<b>\$389,210</b>	<b>1,061%</b>
<b>Long-term/non-current liabilities</b>					
Long-term/non-current loans	\$55,897	\$151,472	171%		-100%
Additional long-term/non-current liabilities not listed above			n/a		n/a
<b>Total long-term/non-current liabilities</b>	<b>\$55,897</b>	<b>\$151,472</b>	<b>171%</b>		<b>-100%</b>
<b>Total liabilities</b>	<b>\$92,556</b>	<b>\$185,000</b>	<b>100%</b>	<b>\$389,210</b>	<b>110%</b>
<b>Total net assets</b>	<b>\$259,101</b>	<b>\$230,960</b>	<b>-11%</b>	<b>-\$63,460</b>	<b>-127%</b>
<b>Total liabilities &amp; net assets</b>	<b>\$351,657</b>	<b>\$415,960</b>	<b>18%</b>	<b>\$325,750</b>	<b>-22%</b>

**Balance Sheet Narrative**

FY 2018	n/a
FY 2019	n/a
FY 2020	n/a

## Balance Sheet Metrics

	FY 2018	FY 2019	% Change	FY 2020	% Change
Months of operating cash -- Total	2.61	3.5	34%	5.06	45%
Working capital -- Total	\$147,488	\$198,380	35%	-\$210,002	-206%
Current ratio -- Total	5.02	6.92	38%	0.46	-93%
Net assets as a % of total expenses	32%	30%	-8%	-15%	-150%
Fixed assets (net)	\$167,510	\$184,052	10%	\$146,542	-20%
Condition of fixed assets				278%	
Leverage -- Total	16%	36%	129%	45%	24%
Total debt	\$55,897	\$151,472	171%	\$147,309	-3%
Debt service impact	0%	1%	179%	37%	3,302%

Months of operating cash (Cash & Cash Equivalents/(Total Expense/12)) indicates the number of months an organization can operate at current average monthly expense levels with existing unrestricted cash and cash equivalents.

Working capital (Current Assets minus Current Liabilities) consists of the resources available for operations. This calculation of working capital may differ from your internal calculations. Adequate working capital provides financial strength and flexibility to your organization, the ability to meet obligations as they come due, and the ability to take more risks, knowing there is a cushion to fall back on.

Current ratio (Current Assets divided by Current Liabilities) determines the organization's ability to pay current debt using current assets. A ratio of 1.0 indicates that current assets are equal to current liabilities. A ratio of around 1.5 is a more comfortable position, allowing for more cushion against uncollected receivables or timing discrepancies between expected receipts and disbursements. Ideally this number should approach 2 which indicates ample short-term liquidity to obviate the need to borrow or sell assets.

Net assets as % of total expenses measures the net worth of an organization in relationship to its operating size. It is calculated as total net assets divided by total expenses. If the trend is level or increasing, then total net assets are keeping pace with growth in operating expenses.

Condition of fixed assets indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props). This is especially significant for organizations that own a building or carry a long-term lease. Accumulated depreciation of less than 50% of the total value of fixed assets indicates a stock of relatively new assets. A high percentage (>80%) of accumulated depreciation could indicate aging infrastructure and need for funding the replacement or repair of fixed assets in the near future.

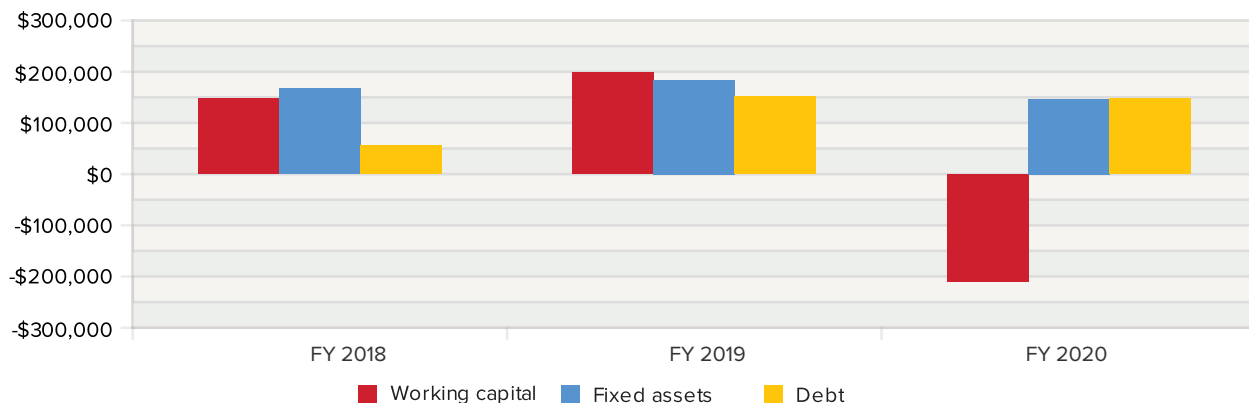
Leverage ratio (Total Debt divided by Total Assets) measures what proportion of your assets are supported by debt. A number in excess of 50% may indicate liquidity problems, or reduced capacity for future borrowing.

Fixed assets (net) is the value of all land, buildings, equipment, leasehold improvements and other property and equipment owned by the organization. It is calculated net of accumulated depreciation to reflect the reduction in the value of an asset as it ages and is used.

Total debt consists of all short and long-term contractual obligations of the organization, including lines of credit, loans, notes, bonds, and capital leases.

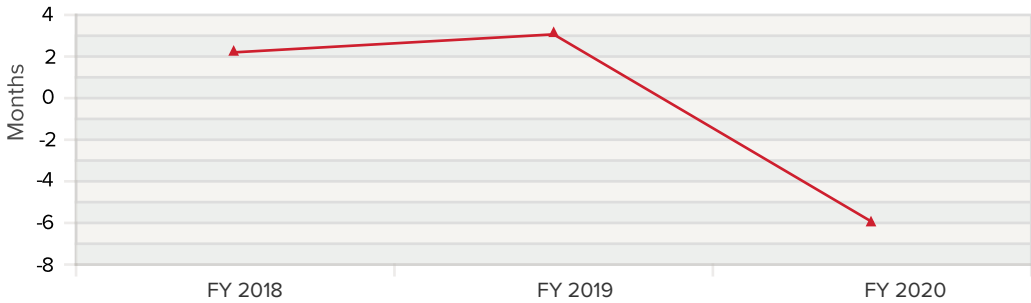
Debt service impact (Total Debt Service, including principal and interest, divided by Total Expense) calculates the % of an organization's total expenses applied to the total debt-service burden. The higher the percentage, the more the organization has to dedicate its resources to debt repayment rather than programming and other operating expenses.

## Components of Net Assets





**Months of Working Capital**



**Attendance**

	FY 2018	FY 2019	% Change	FY 2020	% Change
<b>Total attendance</b>					
Paid			n/a	102	n/a
Free	425,000	445,000	5%	275	-100%
<b>Total</b>	<b>425,000</b>	<b>445,000</b>	<b>5%</b>	<b>377</b>	<b>-100%</b>
<b>In-person attendance</b>					
Paid			n/a	26	n/a
Free	425,000	445,000	5%	100	-100%
<b>Total</b>	<b>425,000</b>	<b>445,000</b>	<b>5%</b>	<b>126</b>	<b>-100%</b>
<b>Digital attendance</b>					
Paid			n/a	76	n/a
Free			n/a	175	n/a
<b>Total</b>			<b>n/a</b>	<b>251</b>	<b>n/a</b>
In-person attendees 18 and under	42,500	43,000	1%	10	-100%
<b>Programs in schools</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>% Change</b>	<b>FY 2020</b>	<b>% Change</b>
Children served in schools			n/a		n/a
Hours of instruction			n/a		n/a

**Workforce**

Number of People	FY 2018	FY 2019	% Change	FY 2020	% Change
Employees: Full-time permanent	4	5	25%	4	-20%
Employees: Part-time permanent	2	1	-50%	1	0%
Independent contractors			n/a		n/a
Interns and apprentices	2	3	50%		-100%
<b>Total positions</b>	<b>8</b>	<b>9</b>	<b>12%</b>	<b>5</b>	<b>-44%</b>

**Visual & Performing Artists**

	FY 2018	FY 2019	% Change	FY 2020	% Change
Number of visual & performing artists			n/a		n/a
Payments to artists & performers			n/a	\$0	n/a

**Covid-19 Impact**

	FY 2018	FY 2019	FY 2020
Due to COVID-19 crisis restrictions on in-person gatherings and/or stay-at-home orders mandated by government health guidelines, how was staffing affected at your organization:			
Number of employees laid off			1
Number of employees furloughed			2
Of those furloughed or laid off employees, how many (if any) have been brought back?			1

## Mission and Constituency

### Mission statement

The Guild's mission is to develop and present art fairs to provide marketing opportunities for its members which also serve as educational, cultural and entertaining events for the community.

### Mission demographics

This organization's mission is not rooted in an explicitly identified ethnic, cultural or other demographic voice.

### Racial/ethnic group

Additional group (please state)

### Gender

Additional group (please state)

### Sexual orientation

Additional group (please state)

### Age group

Additional group (please state)

### Disability

Additional characteristics

*If the fields above are blank, this organization does not serve that demographic specifically.*

### Audience

The organization does not seek to primarily serve a specific audience.

### Racial/ethnic group

Additional group (please state)

### Gender

Additional group (please state)

### Sexual orientation

Additional group (please state)

### Age group

Additional group (please state)

### Disability

Additional characteristics

Additional group (please state)

### Community type served

Suburban

*If the fields above are blank, this organization does not serve that demographic specifically.*

## Program Activity

In-person activity	FY 2018		FY 2019		FY 2020	
	Distinct offerings	# of times offered	Distinct offerings	# of times offered	Distinct offerings	# of times offered
Productions (self-produced)						
Productions (presented)						
Classes/assemblies/other programs in schools						
Classes/workshops (outside of schools)	0	0	0	0	1	1
Field trips/school visits						
Guided tours						
Lectures						
Permanent exhibitions						
Temporary exhibitions					6	
Traveling exhibitions (hosted)						
Films screened						
Festivals/conferences	6		6		0	
Readings/workshops (developing works)						
Community programs (not included above)						
Additional programs not listed above	0	0	0	0	0	0

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

## Program Activity

Digital activity	FY 2018			FY 2019			FY 2020		
	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand	Distinct offerings	# times digitally offered	On-demand
Productions (self-produced)									
Productions (presented)									
Classes/assemblies/other programs in schools									
Classes/workshops (outside of schools)							6	1	0
Field trips/school visits									
Guided tours									
Lectures									
Permanent exhibitions									
Temporary exhibitions									
Traveling exhibitions (hosted)									
Films screened									
Broadcast productions									
Festivals/conferences							1	120	
Readings/workshops (developing works)									
Community programs (not included above)							11	1	
Additional programs not listed above									

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

Digital activity financials	FY 2018		FY 2019		FY 2020	
	Total	Associated with digital program delivery	Total	Associated with digital program delivery	Total	Associated with digital program delivery
Earned revenue	\$660,043		\$733,729		\$86,110	
Contributed revenue					\$44,431	
Operating expense	\$802,898		\$776,629		\$423,363	

## Program Activity

	FY 2018 Total	FY 2019 Total % Change	FY 2020 Total % Change
Fiscally sponsored projects		n/a	n/a
Amount distributed to fiscally sponsored projects		n/a	n/a
Residencies		n/a	n/a
Scholarships awarded		n/a	n/a
Amount awarded in scholarships		n/a	n/a
Other grants awarded		n/a	n/a
Amount awarded in grants		n/a	n/a
Public art installations		n/a	n/a
Works commissioned		n/a	n/a
Films produced		n/a	n/a
World premieres		n/a	n/a
National premieres		n/a	n/a
Local/regional premieres		n/a	n/a
Published works (physical)		n/a	n/a
Published works (digital)		n/a	n/a
Private lessons (in-person)		n/a	n/a
Private lessons (digital)		n/a	n/a
Competitions		n/a	n/a
Open rehearsals		n/a	n/a

*NOTE: Data entered prior to 2021 combines information about physical and digital programs. It has been included in the physical program lines.*

## Program Activity Narrative

FY 2018	n/a
FY 2019	n/a
FY 2020	n/a