

GNOME FOUNDATION
Statement of Support, Revenue and Operating Expenses
for the years ending September 30, 2004 and 2003

| | September 30, 2004 | | | | | September 30, 2003 |
|---|--------------------|--------------|---------------|---------------|----------------|--------------------|
| | General | GIMP | Bounty | GUADDEC | Total | |
| Support: | | | | | | |
| Contributions | \$ 20,000 | \$ 3,583 | \$ 26,017 | \$ 60,000 | \$ 109,600 | \$ 38,745 |
| Friends of Gnome | 15,153 | | | | 15,153 | 12,644 |
| Total Support (Unearned Revenue) | 35,153 | 3,583 | 26,017 | 60,000 | 124,753 | 51,389 |
| Earned Revenue: | | | | | | |
| Advisory Board Fees | 30,000 | | | | 30,000 | 60,000 |
| Administrative Fees | 2,000 | | | | 2,000 | |
| Conference | | | | 7,000 | 7,000 | 24,958 |
| Merchandise Sales | 500 | | | | 500 | 968 |
| Total Earned Revenue | 32,500 | - | - | 7,000 | 39,500 | 85,926 |
| Total Support and Revenue | 67,653 | 3,583 | 26,017 | 67,000 | 164,253 | 137,315 |
| Operating Expenses: | | | | | | |
| Administration | 41,934 | 384 | 1,821 | 27,039 | 71,178 | 60,000 |
| Conference/Trade Shows | 1,095 | - | - | 31,136 | 32,232 | 51,197 |
| Grants/Awards | | - | 9,950 | | 9,950 | - |
| GIMP Project | | 2,516 | | | 2,516 | - |
| Insurance | 6,108 | | | 1,643 | 7,751 | 5,687 |
| Payroll Taxes | 4,956 | 88 | | 1,229 | 6,274 | 4,761 |
| Payroll Service | 633 | 28 | | 478 | 1,139 | 936 |
| Bank Fees | 303 | | | | 303 | 867 |
| Marketing | 427 | | | 1,263 | 1,690 | 743 |
| Accounting | 500 | | | | 500 | 700 |
| Postage/Shipping | 1,214 | | | | 1,214 | 438 |
| Telephone | 276 | | | | 276 | 316 |
| Supplies | 1,890 | | | | 1,890 | 288 |
| Filing Fees | 802 | | | | 802 | 222 |
| Travel | 950 | | | | 950 | 146 |
| Total Operating Expenses | 61,087 | 3,016 | 11,771 | 62,789 | 138,663 | 126,301 |
| Surplus for the Year | 6,566 | 568 | 14,246 | 4,211 | 25,590 | 11,014 |

GNOME FOUNDATION
Balance Sheet
as of September 30, 2004 and 2003

| | September 30, 2004 | September 30, 2003 |
|--|--------------------|--------------------|
| ASSETS: | | |
| Cash | | |
| Unrestricted | 34,770 | |
| Restricted--Bounty and GIMP (See Note 3) | 14,808 | |
| | 49,577 | 14,733 |
| Paypal | 126 | |
| Accounts Receivable (See Note 1) | 25,000 | 20,000 |
| Computer Equipment (See Note 2) | 10,310 | 12,534 |
| Total Assets | 85,013 | 47,267 |
| LIABILITIES AND FUND BALANCE: | | |
| Accounts Payable (See Note 4) | 15,610 | - |
| Administrative Salary Payable (See Note 5) | - | 3,454 |
| Fund Balance | 69,403 | 47,267 |
| Total Liabilities and Fund Balance | 85,013 | 50,721 |

Notes to The Balance Sheet:

Note 1 - Accounts Receivable includes \$15,000 from IBM and \$10,000 from Red Hat for 2004 GUADEC support.

Note 2 - Computer Server donated by HewlettPackard in 2003. Balance is less accumulated depreciation of \$2908

Note 3- GIMP equals \$562 and Bounty equals \$14,246 for a total of \$14,808.

Note4- \$15,010 is payable to Agder University College for GUADEC.

Note 5- \$3454 was paid in FY2004 and is reflected in the Administration balance on the Income Statement.

Statement of Changes in Fund Balances

| | | |
|--|--------|--|
| Fund Balance (as of September 30, 2003) | 43,813 | |
| | 43,813 | |

ACCOUNTANTS REVIEW REPORT

The Board of Directors
Gnome Foundation
Eight Cambridge Center
Cambridge, MA 02142

I have reviewed the accompanying balance sheet of Gnome Foundation for the year ended September 30, 2004, and the related statements of support, revenue and operating expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of Gnome Foundation.

A review consists principally of inquiries of company personnel and analytical procedures applied to the financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Ric G. Rose
Certified Public Accountant

Boston, MA
21 July 2005