
CRAFT ALLIANCE
FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

CRAFT ALLIANCE
JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Craft Alliance
St. Louis, Missouri

We have audited the accompanying statements of financial position of **Craft Alliance (the Organization)** as of June 30, 2010 and 2009, and the related statements of activities 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 audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 provide 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 **Craft Alliance** as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kiefer Bonfanti & Co. LLP

September 20, 2010

CRAFT ALLIANCE

STATEMENTS OF FINANCIAL POSITION

	Assets	
	June 30,	
	2010	2009
Current Assets		
Cash and cash equivalents	\$ 40,298	\$ 82,821
Accounts receivable	19,927	6,598
Promises to give	184,054	190,504
Inventory	80,092	87,929
Prepaid expenses	21,587	23,020
Total Current Assets	345,958	390,872
Property and Equipment, Net	616,826	710,278
Promises to Give - Long-term	41,645	71,152
Assets Restricted for Endowment	22,125	22,125
Total Assets	\$ 1,026,554	\$ 1,194,427

Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 267,623	\$ 272,378
Accounts payable	38,097	50,913
Deferred revenue	114,010	118,081
Total Current Liabilities	419,730	441,372
Other Liabilities		
Long-term debt	640,945	670,833
Total Liabilities	1,060,675	1,112,205
Net Assets		
Unrestricted	(286,124)	(239,285)
Temporarily restricted	229,878	299,382
Permanently restricted	22,125	22,125
Total Net Assets	(34,121)	82,222
Total Liabilities and Net Assets	\$ 1,026,554	\$ 1,194,427

CRAFT ALLIANCE

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Tuition, net of discounts of \$16,451	\$ 357,250	\$ -	\$ -	\$ 357,250
Contracts and special programs	46,296	-	-	46,296
Gallery shop, net of discounts of 57,946	475,932	-	-	475,932
Exhibition gallery, net of discounts of \$3,045	65,817	-	-	65,817
Interest income	663	81	-	744
Miscellaneous income	4,469	-	-	4,469
Total Revenue	950,427	81	-	950,508
Public Support				
Individual	137,090	-	-	137,090
Corporate	61,384	20,000	-	81,384
Foundation	70,550	8,288	-	78,838
Grants	2,637	102,648	-	105,285
Fundraising events	94,275	-	-	94,275
Total Public Support	365,936	130,936	-	496,872
Net Assets Released from Restrictions	200,521	(200,521)	-	-
Total Revenue and Support	1,516,884	(69,504)	-	1,447,380
Expenses				
Program services				
Delmar Education Center	321,889	-	-	321,889
Delmar Gallery shop	433,433	-	-	433,433
Delmar Exhibition gallery	130,031	-	-	130,031
Outreach	93,787	-	-	93,787
Grand Center	186,065	-	-	186,065
Total Program Services	1,165,205	-	-	1,165,205
Support services				
Management and general	119,752	-	-	119,752
Development	132,986	-	-	132,986
Events	40,890	-	-	40,890
Total Support Services	293,628	-	-	293,628
Total Expenses Before Depreciation and Uncollectible Promises to Give	1,458,833	-	-	1,458,833
Increase (Decrease) in Net Assets Before Depreciation and Uncollectible Promises to Give	58,051	(69,504)	-	(11,453)
Depreciation	(95,946)	-	-	(95,946)
Uncollectible Promises to Give	(8,944)	-	-	(8,944)
Total Decrease in Net Assets	(46,839)	(69,504)	-	(116,343)
Net Assets, Beginning of Year	(239,285)	299,382	22,125	82,222
Net Assets, End of Year	\$ (286,124)	\$ 229,878	\$ 22,125	\$ (34,121)

CRAFT ALLIANCE

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Tuition, net of discounts of \$19,513	\$ 377,544	\$ -	\$ -	\$ 377,544
Contracts and special programs	66,468	-	-	66,468
Gallery shop, net of discounts of \$67,798	463,495	-	-	463,495
Exhibition gallery, net of discounts of \$4,068	40,401	-	-	40,401
Interest income	227	73	-	300
Miscellaneous income	1,668	-	-	1,668
Total Revenue	949,803	73	-	949,876
Public Support				
Individual	95,013	50,453	-	145,466
Corporate	26,305	61,249	-	87,554
Foundation	37,349	59,500	-	96,849
Grants	-	130,440	-	130,440
Fundraising events	215,367	-	-	215,367
Total Public Support	374,034	301,642	-	675,676
Net Assets Released from Restrictions	498,519	(498,519)	-	-
Total Revenue and Support	1,822,356	(196,804)	-	1,625,552
Expenses				
Program services				
Delmar Education Center	383,785	-	-	383,785
Delmar Gallery shop	427,679	-	-	427,679
Delmar Exhibition gallery	133,423	-	-	133,423
Outreach	130,626	-	-	130,626
Grand Center	247,223	-	-	247,223
Total Program Services	1,322,736	-	-	1,322,736
Support services				
Management and general	110,010	-	-	110,010
Development	167,400	-	-	167,400
Fundraising events	135,644	-	-	135,644
Total Support Services	413,054	-	-	413,054
Total Expenses Before Depreciation and Uncollectible Promises to Give	1,735,790	-	-	1,735,790
Increase (Decrease) in Net Assets Before Depreciation and Uncollectible Promises to Give	86,566	(196,804)	-	(110,238)
Depreciation	(98,862)	-	-	(98,862)
Uncollectible Promises to Give	(12,361)	-	-	(12,361)
Total Decrease in Net Assets	(24,657)	(196,804)	-	(221,461)
Net Assets, Beginning of Year	(214,628)	496,186	22,125	303,683
Net Assets, End of Year	\$ (239,285)	\$ 299,382	\$ 22,125	\$ 82,222

CRAFT ALLIANCE

STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2010	2009
Cash Flows from Operating Activities		
Decrease in net assets	\$ (116,343)	\$ (221,461)
Adjustments:		
Depreciation and amortization	95,946	98,862
Uncollectible promises to give	8,944	12,361
Change in assets and liabilities		
(Increase) decrease in operating assets		
Accounts receivable	(13,329)	(893)
Promises to give	27,013	(45,484)
Inventory	7,837	6,319
Prepaid expenses	1,433	7,758
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(12,816)	(22,390)
Deferred revenue	(4,071)	7,952
Net Cash Used by Operating Activities	(5,386)	(156,976)
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,494)	(105,503)
Net Cash Used by Investing Activities	(2,494)	(105,503)
Cash Flows from Financing Activities		
Payments on notes payable	(9,643)	(8,391)
Proceeds from notes payable	-	191,382
Net proceeds (payments) on lines of credit	(25,000)	61,155
Net Cash Provided (Used) by Financing Activities	(34,643)	244,146
Net Decrease in Cash and Cash Equivalents	(42,523)	(18,333)
Cash and cash equivalents, beginning of year	82,821	101,154
Cash and Cash Equivalents, End of Year	\$ 40,298	\$ 82,821
 Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 31,675	\$ 26,708

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Business Description

The brainchild of six local craftspeople, **Craft Alliance** (the Organization) began as a cooperative gallery in the Central West End in 1964. Now the Organization has two facilities - one in the Delmar Loop and one in Grand Center which opened two years ago. The Delmar Loop facility is home to two galleries, a gallery shop, and an education center. The galleries in the Delmar location exhibit functional and sculptural contemporary craft in clay, glass, metal, fiber, and wood by international, national and regional, established and emerging artists. The Organization offers year round classes in craft techniques to more than 2,500 people of all ages and abilities. The organization's community outreach programs offer in-depth art experiences free of charge to 1,000 students and adults from underserved populations. Each year, close to 65,000 people come through the Organization's doors to look at the art in the exhibitions, buy art in the gallery shop, take classes in contemporary craft or participate in its community outreach and free family programs.

Craft Alliance opened a 5,400 sq. ft., state-of-the-art satellite in Grand Center, St. Louis' vibrant arts and entertainment district in August of 2008. This location has three major components: an exhibition gallery, community programming, and educational programming that includes studio classes and an artist residency program. **Craft Alliance's** exhibition space at Grand Center focuses primarily on solo artists and site specific installation art work that creates an environment to be explored and experienced. The exhibitions are designed to challenge the public's perception of craft by presenting large-scale, site-specific installations and work that pushes the boundaries of craft materials and ideas.

The Organization's primary sources of revenue include tuition, Gallery Shop and Exhibition sales, and public support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Organization are presented on the accrual basis of accounting.

Financial Statement Presentation

The Organization reports its information regarding financial position and activities according to three classes of net assets depending upon the existence or nature of any donor-imposed restrictions. The following is a description of these classes of net assets:

Unrestricted Net Assets

Those resources over which the Board of Directors has discretionary control. Designated amounts represent those resources that the Board has set aside for a particular purpose. Unrestricted net assets are available for operations including program services and management expenses.

Notes to Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Temporarily Restricted Net Assets***

Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or the passage of time.

Permanently Restricted Net Assets

Those resources subject to donor-imposed restrictions that will be maintained permanently by the Organization. The donors of these resources permit the Organization to use all or part of the income earned, including capital appreciation, on related investments for unrestricted or temporarily restricted purposes. As shown on the statement of financial position, assets restricted for endowment are permanently restricted.

Restricted and Unrestricted Revenues and Public Support

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use the donated assets. 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.

Estimates

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

Advertising Expenses

Advertising costs are charged to expense as incurred. Advertising expenses were \$23,846 and \$26,951 for the years ended June 30, 2010 and 2009, respectively.

Cash and Cash Equivalents

The Organization considers all temporary cash investments as cash equivalents. These temporary cash investments are securities held for cash management purposes having maturities of three months or less.

Accounts Receivable

Management provides for probable uncollected amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. At June 30, 2010 and 2009, all accounts receivable balances are expected to be collectible, and therefore, a valuation allowance is not considered necessary.

Notes to Financial Statements (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Promises to Give***

Unconditional promises to give in future periods are recognized as support in the period the promises are received. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as support when the conditions upon which they depend are substantially met. Promises to give are reported at the amount management expects to collect on balances outstanding at year end. All promises to give are expected to be collectible; therefore, management does not consider an allowance for uncollectible promises to be necessary.

Inventory

Merchandise inventory is carried at cost using the specific identification method.

Subsequent Events

Subsequent events have been evaluated through September 20, 2010, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Property and Equipment

Property and equipment are stated at cost, or fair market value if donated, less accumulated depreciation computed on the straight-line method, over the following periods:

Building and building improvement	20 – 39 years
Equipment, furniture and fixtures	5 – 10 years

Deferred Revenue

Tuition received in advance is deferred until earned.

Donated Services

During the years ended June 30, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was insignificant and has not been recorded. The Organization pays for most services requiring specific expertise. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments.

Description of Program Services and Supporting Activities

The following program services and supporting activities are included in the accompanying financial statements:

Program Services

Includes those expenditures that enable the Organization to provide the following programs:

Notes to Financial Statements (Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Description of Program Services and Supporting Activities (Continued)

Education Center

The Organization's two Education Centers provide a curriculum of visual arts classes and workshops for children and adults of all ages. Classes offered throughout the year include clay, metal, fiber, glass, wood turning, graphic design and drawing and painting.

Exhibition Gallery

The Organization's three exhibition galleries feature the work of leading regional and national artists working in contemporary craft and present a series of ten exhibitions each year.

Gallery Shop

The Gallery Shop supports the artistic community by selling the work of regionally and nationally recognized artists.

Outreach

The Organization's community outreach programs offer in-depth art experiences to more than 1,000 school children and high school students each year primarily from urban schools with sharply reduced art curriculums. The Organization also provides classes for adults with disabilities. The Organization has a four-year art mentoring program for talented young artists (Crafting-a-Future), which offers high school students year-round art classes, mentoring and portfolio building and the opportunity to participate over a four year period free of charge.

Grand Center

Grand Center has three major components; a new exhibition gallery, expanded outreach programming, and education programming with artist residencies. Through these programs, the Organization reaches new urban audiences, expands its outreach programming, forms new partnerships in the Grand Center area, and provides the St. Louis community with greater access to contemporary studio craft art.

Support Services

Includes those expenditures that support the Organization's programs:

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Notes to Financial Statements (Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Support Services (Continued)

Fundraising

Provides the structure necessary to encourage and secure memberships and private financial support from corporations, foundations, organizations, and individuals.

Expense Allocation

The costs of the Organization's programs and supporting services have been reported on a functional basis. This requires allocation of certain costs among the various programs and supporting services based on estimates made by management.

Income Tax Status

The Organization is exempt from income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Financial accounting standards define how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. These standards require the evaluation of tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would not be recognized in the financial statements for the current year.

The income tax positions taken by the Organization for any years open under the various statutes of limitations are (1) that the Organization continues to be exempt from income taxes and (2) that the Organization does not have any unrelated business income that has not been properly reported. Management believes these tax positions meet the more-likely-than-not threshold and, accordingly, the tax benefits of these income tax positions (no income tax expense or liability) have been recognized for the years ended on or before June 30, 2010.

Reclassifications

Certain items in the 2009 financial statements have been reclassified to conform to the 2010 presentation.

2. **CONCENTRATIONS OF CREDIT AND MARKET RISK**

The Organization maintains several bank accounts at a St. Louis metropolitan area bank. The balances in these accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There was no uninsured cash balance at June 30, 2010.

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

3. PROMISES TO GIVE

Unconditional promises to give are included in the financial statement and are recorded after discounting at the rate of 5.00% to the present value of the future cash flows.

Unconditional promises to give at June 30, 2010 and 2009 consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Promises due in less than one year	\$ 184,054	\$ 190,504
Promises due in one to six years	48,750	85,000
	<u>232,804</u>	<u>275,504</u>
Less discount	(7,105)	(13,848)
Total Promises to Give at Present Value	\$ 225,699	\$ 261,656

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 35,462	\$ 35,462
Delmar building and improvements	748,997	748,997
Delmar equipment, furniture, and fixtures	311,489	308,995
Grand center lease improvements	380,677	380,677
Grand center equipment	185,672	185,672
Property and equipment at cost	<u>1,662,297</u>	<u>1,659,803</u>
Less accumulated depreciation	(1,045,471)	(949,525)
Property and Equipment, Net	\$ 616,826	\$ 710,278

Depreciation expense was \$95,946 and \$98,862 for the years ended June 30, 2010 and 2009, respectively.

5. LEASES

During 2007, the Organization entered into an operating lease with the Kranzberg Arts Foundation for additional studio and gallery space. The Organization began occupying approximately 6,000 square feet of the building beginning on August 1, 2008.

Notes to Financial Statements (Continued)

5. LEASES (CONTINUED)

Rent payments are according to the following formula:

Commencement date through end of Operating Year 3:	\$2.00 per usable square foot of the Premises
Operating Year 4 through end of initial term:	5.00% of Operator's Gross Receipts, but in no event shall the Use Fee exceed \$6.00 per usable square foot of the Premises
Each Extension Term:	5.00% of Operator's Gross Receipts, but in no event shall the Use Fee exceed \$8.00 per usable square foot of the Premises

The initial term of the lease is for 7 years with 5 additional renewals of two years each.

The maximum estimated lease payments for the next five years and thereafter are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2011	\$ 12,324
2012	12,324
2013	34,918
2014	36,972
2015	36,972
Thereafter	40,053
	<u>\$ 173,563</u>

Rental expense for the year ended June 30, 2010 was \$12,324.

The Organization also leases certain office equipment under operating leases. Minimum lease payments on the equipment for the next five years and thereafter are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2011	\$ 9,964
2012	7,236
2013	7,236
2014	4,970
2015	2,382
	<u>\$ 31,788</u>

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

6. DEBT

	June 30,	
	2010	2009
Note payable to bank dated July 2008, with fixed interest rate at 6.75%. 35 monthly payments of principal and interest of \$1,894. Balloon payment of \$229,831 due on July 23, 2011. Secured by real estate (Delmar Building) and all other corporate assets.	\$ 233,417	\$ 239,744
Operating line-of-credit for \$400,000 dated July 2009, with interest at 0.50% plus the bank's index rate (5.50% at June 30, 2010). Required monthly payments equal to the interest accrued on the outstanding balance. Balance and all unpaid accrued interest due on July 2011. Secured solely by a second deed of trust on real estate (Delmar Building).	221,155	246,155
Loan payable to Grand Center dated November 2007. Fixed quarterly payments of \$12,500 to begin on October 31, 2010. Secured solely by donor pledges and pledged equipment.	450,000	450,000
Loan payable to Grand Center dated August 2008. Fixed monthly payments of \$291 beginning September 2008.	3,996	7,312
Total debt	908,568	943,211
Less current portion	(267,623)	(272,378)
Total Debt, Net of Current Portion	\$ 640,945	\$ 670,833

The following is a schedule of principal amounts due in future years:

Year Ending June 30,	Amount
2011	\$ 267,623
2012	278,445
2013	50,000
2014	50,000
2015	50,000
Thereafter	212,500
	\$ 908,568

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Arts and Education Council - time restriction	\$ 44,250	\$ 45,000
Missouri Arts Council - time restriction	2,821	2,872
Contributions - for Grand Center remodel	107,500	153,500
Operations - time restriction	21,000	26,000
Regional Arts Commission - time restriction	35,019	55,860
Operations - purpose	3,445	-
Scholarships - time and purpose restriction	4,843	-
Grand Center Programs - purpose	11,000	16,150
Total	\$ 229,878	\$ 299,382

Net assets were released from donor-imposed restrictions as follows:

	<u>Years Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Arts and Education Council - time and purpose restriction	\$ 33,750	\$ 49,680
Missouri Arts Council - time restriction	27,457	25,101
Contributions - for Grand Center remodel	68,650	330,937
Operations - time restriction	5,000	7,000
Regional Arts Commission - time restriction	59,164	48,817
Scholarships - time and purpose restriction	-	24,984
Uncollectible promises to give	6,500	12,000
Total	\$ 200,521	\$ 498,519

8. GOING CONCERN

As shown in the accompanying financial statements, the Organization's decrease in net assets was \$116,343 and \$221,461 for the years ended June 30, 2010 and 2009, respectively, and total liabilities exceeded total assets by \$34,121 at June 30, 2010. The ability of the Organization to continue as a going concern is dependent on the success of management's efforts to secure revenue sources, to refinance notes payable, and to continue to reduce operating expenditures. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Craft Alliance
St. Louis, Missouri

Our report on our audits of the basic financial statements of **Craft Alliance** for the years ended June 30, 2010 and 2009 appears on Page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of functional expenses for the years ended June 30, 2010 and 2009 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kiefer Bonfanti & Co. LLP

September 20, 2010

CRAFT ALLIANCE

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010**

	Program Services					Total Program Services	Support Services			Total
	Delmar Education Center	Delmar Gallery Shop	Delmar Exhibition Gallery	Outreach	Grand Center		Mgmt and General	Fundraising		
							Development	Events		
Salaries and wages	\$ 200,128	\$ 88,864	\$ 55,869	\$ 68,889	\$ 96,446	\$ 510,196	\$ 50,408	\$ 100,402	\$ -	\$ 661,006
Payroll taxes and benefits	18,863	7,978	4,666	4,834	8,159	44,500	20,169	5,143	-	69,812
Cost of goods sold	-	269,716	36,724	-	2,048	308,488	-	-	-	308,488
Professional services	302	-	-	378	62	742	12,500	68	-	13,310
Printing	6,721	887	5,418	-	5,945	18,971	-	7,270	-	26,241
Utilities	18,152	7,559	4,589	697	10,639	41,636	4,791	1,776	-	48,203
Class expenses and supplies	27,713	-	-	-	8,420	36,133	-	-	-	36,133
Postage and shipping	2,982	15,143	6,418	100	4,770	29,413	122	3,012	-	32,547
Interest	-	7,295	-	-	174	7,469	24,206	-	-	31,675
Advertising and hospitality	2,773	12,438	1,594	116	5,243	22,164	116	3,754	-	26,034
Curator	18,014	-	2,300	-	7,000	27,314	-	-	-	27,314
Processing fees	7,203	8,737	859	287	1,226	18,312	231	1,032	-	19,575
Scholarships	-	-	-	4,576	-	4,576	-	-	-	4,576
Programs, shows and special projects	-	-	3,929	10,828	1,278	16,035	-	-	-	16,035
Repairs and maintenance	7,808	1,801	1,861	327	4,593	16,390	1,168	287	-	17,845
Equipment rental	2,593	1,815	1,179	762	6,369	12,718	1,032	6,730	-	20,480
Insurance	5,000	3,427	3,297	1,072	4,917	17,713	3,774	333	-	21,820
Travel	1,718	2,093	682	590	92	5,175	1	1,690	-	6,866
Office supplies	686	637	646	331	748	3,048	908	1,489	-	5,445
Miscellaneous	1,233	5,043	-	-	1,163	7,439	326	-	-	7,765
Party rental expenses	-	-	-	-	2,056	2,056	-	-	-	2,056
Rent expense	-	-	-	-	12,324	12,324	-	-	-	12,324
Parking expense	-	-	-	-	2,393	2,393	-	-	-	2,393
Gala expense	-	-	-	-	-	-	-	-	40,890	40,890
Subtotal	321,889	433,433	130,031	93,787	186,065	1,165,205	119,752	132,986	40,890	1,458,833
Depreciation	18,209	5,463	5,463	1,821	59,527	90,483	5,463	-	-	95,946
Uncollectible promises to give	-	-	-	-	-	-	8,944	-	-	8,944
Total	\$ 340,098	\$ 438,896	\$ 135,494	\$ 95,608	\$ 245,592	\$ 1,255,688	\$ 134,159	\$ 132,986	\$ 40,890	\$ 1,563,723

CRAFT ALLIANCE

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009**

	Program Services					Support Services				
	Delmar Education Center	Delmar Gallery Shop	Delmar Exhibition Gallery	Outreach	Grand Center	Total Program Services	Mgmt and General	Fundraising		Total
							Development	Events		
Salaries and wages	\$ 239,596	\$ 92,364	\$ 57,010	\$ 70,906	\$ 114,243	\$ 574,119	\$ 39,981	\$ 129,821	\$ -	\$ 743,921
Payroll taxes and benefits	24,869	8,179	5,082	4,897	8,507	51,534	20,518	7,267	-	79,319
Cost of goods sold	-	263,516	21,225	-	2,123	286,864	-	-	-	286,864
Professional services	477	-	-	10,727	34,945	46,149	11,500	1,500	-	59,149
Printing	9,828	1,266	9,397	-	6,835	27,326	-	4,068	-	31,394
Utilities	23,189	7,522	6,184	859	11,573	49,327	5,988	2,137	-	57,452
Class expenses and supplies	29,439	-	-	-	7,695	37,134	-	-	-	37,134
Postage and shipping	5,273	15,124	12,262	273	3,496	36,428	290	5,200	-	41,918
Interest	-	6,150	-	-	768	6,918	19,790	-	-	26,708
Advertising and hospitality	4,494	11,986	608	108	8,381	25,577	109	6,127	-	31,813
Curator	19,383	-	6,100	-	8,550	34,033	-	-	-	34,033
Processing fees	8,753	7,919	781	169	1,186	18,808	227	1,052	-	20,087
Scholarships	-	-	-	17,255	-	17,255	-	-	-	17,255
Programs, shows and special projects	-	-	4,940	22,215	4,457	31,612	-	-	-	31,612
Repairs and maintenance	7,750	1,887	2,281	213	3,816	15,947	1,496	322	-	17,765
Equipment rental	2,959	1,160	1,568	926	5,011	11,624	87	6,416	-	18,127
Insurance	4,997	3,810	3,421	1,045	4,118	17,391	3,814	414	-	21,619
Travel	1,617	1,857	1,337	689	2,293	7,793	169	958	-	8,920
Office supplies	1,004	614	557	344	2,070	4,589	1,411	1,235	-	7,235
Miscellaneous	157	4,325	670	-	31	5,183	4,630	883	-	10,696
Party rental expenses	-	-	-	-	1,303	1,303	-	-	-	1,303
Rent expense	-	-	-	-	11,297	11,297	-	-	-	11,297
Parking expense	-	-	-	-	4,525	4,525	-	-	-	4,525
Gala expense	-	-	-	-	-	-	-	-	135,644	135,644
Subtotal	383,785	427,679	133,423	130,626	247,223	1,322,736	110,010	167,400	135,644	1,735,790
Depreciation	23,833	7,627	7,627	2,542	49,606	91,235	7,627	-	-	98,862
Uncollectible promises to give	-	-	-	-	-	-	12,361	-	-	12,361
Total	\$ 407,618	\$ 435,306	\$ 141,050	\$ 133,168	\$ 296,829	\$ 1,413,971	\$ 129,998	\$ 167,400	\$ 135,644	\$ 1,847,013