
CRAFT ALLIANCE
FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

CRAFT ALLIANCE
JUNE 30, 2012 AND 2011

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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, 2012 and 2011, 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, 2012 and 2011, 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 27, 2012

CRAFT ALLIANCE

STATEMENTS OF FINANCIAL POSITION

	Assets	
	June 30,	
	2012	2011
Current Assets		
Cash and cash equivalents	\$ 48,780	\$ 15,705
Accounts receivable	14,665	17,520
Promises to give	121,604	169,012
Inventory	87,236	88,077
Prepaid expenses	29,833	42,224
Total Current Assets	302,118	332,538
Property and Equipment, Net	549,496	609,731
Promises to Give, Long-term	28,092	23,484
Assets Restricted for Endowment	22,125	22,125
Total Assets	\$ 901,831	\$ 987,878

Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 168,177	\$ 142,200
Accounts payable	26,281	29,487
Sales taxes payable	-	2,648
Deferred revenue	117,655	151,919
Total Current Liabilities	312,113	326,254
Other Liabilities		
Long-term debt	561,031	654,442
Total Liabilities	873,144	980,696
Net Assets		
Unrestricted	(149,885)	(219,084)
Temporarily restricted	156,447	204,141
Permanently restricted	22,125	22,125
Total Net Assets	28,687	7,182
Total Liabilities and Net Assets	\$ 901,831	\$ 987,878

CRAFT ALLIANCE

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Tuition, net of discounts of \$74,911	\$ 410,379	\$ -	\$ -	\$ 410,379
Contracts and special programs	50,679	-	-	50,679
Gallery shop, net of discounts of \$58,671	528,726	-	-	528,726
Exhibition gallery, net of discounts of \$6,864	43,243	-	-	43,243
Interest income	105	-	-	105
Miscellaneous income	6,784	-	-	6,784
Total Revenue	1,039,916	-	-	1,039,916
Public Support				
Individual	192,042	6,000	-	198,042
Corporate	26,879	99,000	-	125,879
Foundation	65,111	25,468	-	90,579
Grants	644	96,371	-	97,015
Fundraising events	191,301	-	-	191,301
Total Public Support	475,977	226,839	-	702,816
Net Assets Released from Restrictions	274,533	(274,533)	-	-
Total Revenue and Support	1,790,426	(47,694)	-	1,742,732
Expenses				
Program services				
Delmar Education Center	310,022	-	-	310,022
Delmar Gallery Shop	453,288	-	-	453,288
Delmar Exhibition Gallery	105,570	-	-	105,570
Outreach	101,018	-	-	101,018
Grand Center Outreach	21,013	-	-	21,013
Grand Center	242,188	-	-	242,188
Total Program Services	1,233,099	-	-	1,233,099
Support services				
Management and general	146,985	-	-	146,985
Development	155,111	-	-	155,111
Events	103,037	-	-	103,037
Total Support Services	405,133	-	-	405,133
Total Expenses Before Depreciation				
Uncollectible Promises to Give, and Loss on Disposal of Assets	1,638,232	-	-	1,638,232
Increase (Decrease) in Net Assets Before Depreciation, Uncollectible Promises to Give, and Loss on Disposal of Assets	152,194	(47,694)	-	104,500
Depreciation	(77,095)	-	-	(77,095)
Uncollectible Promises to Give	(5,300)	-	-	(5,300)
Loss on Disposal of Assets	(600)	-	-	(600)
Total Increase (Decrease) in Net Assets	69,199	(47,694)	-	21,505
Net Assets (Deficit), Beginning of Year	(219,084)	204,141	22,125	7,182
Net Assets (Deficit), End of Year	\$ (149,885)	\$ 156,447	\$ 22,125	\$ 28,687

CRAFT ALLIANCE

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue				
Tuition, net of discounts of \$40,697	\$ 387,109	\$ -	\$ -	\$ 387,109
Contracts and special programs	58,086	-	-	58,086
Gallery shop, net of discounts of \$51,906	478,225	-	-	478,225
Exhibition gallery, net of discounts of \$803	13,780	-	-	13,780
Interest income	53	55	-	108
Miscellaneous income	5,582	-	-	5,582
Total Revenue	942,835	55	-	942,890
Public Support				
Individual	261,408	1,150	-	262,558
Corporate	53,576	40,000	-	93,576
Foundation	44,723	84,128	-	128,851
Grants	750	95,624	-	96,374
Fundraising events	130,765	2,150	-	132,915
Total Public Support	491,222	223,052	-	714,274
Net Assets Released from Restrictions	248,844	(248,844)	-	-
Total Revenue and Support	1,682,901	(25,737)	-	1,657,164
Expenses				
Program services				
Delmar Education Center	329,718	-	-	329,718
Delmar Gallery Shop	427,637	-	-	427,637
Delmar Exhibition Gallery	91,764	-	-	91,764
Outreach	97,781	-	-	97,781
Grand Center Outreach	16,007	-	-	16,007
Grand Center	215,855	-	-	215,855
Total Program Services	1,178,762	-	-	1,178,762
Support services				
Management and general	123,179	-	-	123,179
Development	135,230	-	-	135,230
Fundraising events	75,470	-	-	75,470
Total Support Services	333,879	-	-	333,879
Total Expenses Before Depreciation, Uncollectible Promises to Give, and Loss on Disposal of Assets	1,512,641	-	-	1,512,641
Increase (Decrease) in Net Assets Before Depreciation, Uncollectible Promises to Give, and Loss on Disposal of Assets	170,260	(25,737)	-	144,523
Depreciation	(88,141)	-	-	(88,141)
Uncollectible Promises to Give	(12,000)	-	-	(12,000)
Loss on Disposal of Assets	(3,079)	-	-	(3,079)
Total Increase in Net Assets	67,040	(25,737)	-	41,303
Net Assets (Deficit), Beginning of Year	(286,124)	229,878	22,125	(34,121)
Net Assets (Deficit), End of Year	\$ (219,084)	\$ 204,141	\$ 22,125	\$ 7,182

CRAFT ALLIANCE

STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2012	2011
Cash Flows from Operating Activities		
Increase in net assets	\$ 21,505	\$ 41,303
Adjustments:		
Depreciation and amortization	77,095	88,141
Uncollectible promises to give	5,300	12,000
Loss on sale of fixed assets	600	3,079
Change in assets and liabilities		
(Increase) decrease in operating assets		
Accounts receivable	2,855	2,407
Promises to give	37,500	21,203
Inventory	841	(7,985)
Prepaid expenses	12,391	(20,637)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(3,206)	6,978
Sales tax payable	(2,648)	2,648
Deferred revenue	(34,264)	22,321
Net Cash Provided by Operating Activities	117,969	171,458
Cash Flows from Investing Activities		
Purchase of property and equipment	(17,460)	(84,125)
Net Cash Used by Investing Activities	(17,460)	(84,125)
Cash Flows from Financing Activities		
Payments on notes payable	(57,434)	(10,771)
Net proceeds (payments) on lines of credit	(10,000)	(101,155)
Net Cash Used by Financing Activities	(67,434)	(111,926)
Net Increase (Decrease) in Cash and Cash Equivalents	33,075	(24,593)
Cash and cash equivalents, beginning of year	15,705	40,298
Cash and Cash Equivalents, End of Year	\$ 48,780	\$ 15,705
 Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 29,056	\$ 30,646

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

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 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 on contributions 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 \$47,783 and \$24,347 for the years ended June 30, 2012 and 2011, 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 acquired with maturities of three months or less.

Accounts Receivable

Management provides for probable uncollectible 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, 2012 and 2011, all accounts receivable balances are expected to be collectible, 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. However, in accordance with generally accepted accounting principles, management discounts pledges that are not expected to be received within the next operating cycle.

Inventory

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

Subsequent Events

Subsequent events have been evaluated through September 27, 2012, 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 improvements	20 – 40 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, 2012 and 2011, 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.

Notes to Financial Statements (Continued)

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

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:

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.

Notes to Financial Statements (Continued)

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

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.

Development and 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 for uncertain tax positions prohibit financial statement recognition of the impact of a tax position if the position is not "more likely than not" to be sustained on audit, based on the technical merits of the position. The standards also provide guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, transition, and disclosure requirements for uncertain tax positions. The Organization's federal, state, and local information returns for years ended June 30, 2009 and later remain subject to examination by taxing authorities. As of June 30, 2012, no returns have been selected for examination.

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

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, 2012.

3. PROMISES TO GIVE

Unconditional promises to give are included in the financial statements and are recorded after discounting at the rate of 3.25% to the present value of the future cash flows.

Unconditional promises to give at June 30, 2012 and 2011 consist of the following:

	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
Promises due in less than one year	\$ 121,604	\$ 169,012
Promises due in one to three years	30,000	30,000
	<u>151,604</u>	<u>199,012</u>
Less discount	<u>(1,908)</u>	<u>(6,516)</u>
Total Promises to Give at Present Value	\$ 149,696	\$ 192,496

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
Land	\$ 35,462	\$ 35,462
Delmar building and improvements	775,865	775,865
Delmar equipment, furniture, and fixtures	317,617	311,489
Grand Center lease improvements	432,398	432,398
Grand Center equipment	193,269	185,672
Property and equipment at cost	<u>1,754,611</u>	<u>1,740,886</u>
Less accumulated depreciation	<u>(1,205,115)</u>	<u>(1,131,155)</u>
Property and Equipment, Net	\$ 549,496	\$ 609,731

Depreciation expense was \$77,095 and \$88,141 for the years ended June 30, 2012 and 2011, respectively.

Notes to Financial Statements (Continued)

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. In September of 2010, an additional 600 square feet was added for the newly created Wood Studio.

Rent payments are according to the following formula:

Period	Use Fee
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:

Years Ending June 30,	Amount
2013	\$ 20,550
2014	20,550
2015	20,550
2016	10,275
	<u>\$ 71,925</u>

Rental expense for the years ended June 30, 2012 and 2011 was \$22,473 and \$20,150, respectively.

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

5. LEASES (CONTINUED)

The Organization also leases certain office equipment under operating leases. Minimum lease payments on the equipment are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2013	\$ 11,088
2014	7,538
2015	2,382
	<u>\$ 21,008</u>

6. DEBT

	June 30,	
	2012	2011
<p>Note payable to bank dated July 2011, with fixed interest rate at 6.5%. 35 monthly payments of principal and interest of \$1,851. Balloon payment of \$204,493 due July 2014. Secured by real estate (Delmar Building) and all other corporate assets.</p>	\$ 219,212	\$ 226,642
<p>Operating line-of-credit for \$400,000 dated January 2011, with interest at 0.50% plus the bank's index rate (3.25% at January 2012). Required monthly payments equal to the interest accrued on the outstanding balance. Balance and all unpaid accrued interest due on January 2013. Secured by a second deed of trust on real estate (Delmar Building) and all other corporate assets.</p>	110,000	120,000
<p>Loan payable to Grand Center dated November 2007. Fixed quarterly payments of \$12,500 began on October 31, 2011. Secured solely by donor pledges and pledged equipment. The loan agreement contains a provision for accelerated principle payments if certain earnings criteria are met. These criteria were not met for the years ended June 30, 2012 or 2011.</p>	399,996	450,000
Total Debt	729,208	796,642
Less current portion	(168,177)	(142,200)
Total Debt, Net of Current Portion	\$ 561,031	\$ 654,442

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

6. DEBT (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 168,177
2014	261,031
2015	50,000
2016	50,000
2017	50,000
Thereafter	150,000
	<u>\$ 729,208</u>

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes:

	<u>June 30,</u>	
	<u>2012</u>	<u>2011</u>
Arts and Education Council - time restriction	\$ 37,000	\$ 37,000
Missouri Arts Council - time restriction	1,893	2,010
Grand Center programs - purpose	29,167	46,308
Operations - time restriction	45,000	66,312
Regional Arts Commission - time restriction	36,944	35,018
Operations - purpose	1,000	9,900
Gala - purpose	600	2,750
Scholarships - time and purpose restriction	4,843	4,843
Total	<u>\$ 156,447</u>	<u>\$ 204,141</u>

CRAFT ALLIANCE

Notes to Financial Statements (Continued)

7. TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

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

	Years Ended June 30,	
	2012	2011
Arts and Education Council - time and purpose restriction	\$ 37,000	\$ 44,250
Missouri Arts Council - time restriction	19,042	20,834
Grand Center programs - purpose	128,453	89,166
Operations - time restriction	15,000	5,000
Regional Arts Commission - time restriction	38,520	38,521
Operations - purpose	5,750	34,230
Operations - time and purpose restriction	20,625	-
Scholarships - time and purpose restriction	4,843	4,843
Uncollectible promises to give	5,300	12,000
Total	\$ 274,533	\$ 248,844



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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of **Craft Alliance** as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated September 27, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kiefer Bonfanti & Co. LLP

September 27, 2012

CRAFT ALLIANCE

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012**

	Program Services						Support Services				
	Delmar Education Center	Delmar Gallery Shop	Delmar Exhibition Gallery	Grand Center Outreach	Grand Center Outreach	Total Program Services	Mgmt and General	Fundraising		Total	
							Development	Events			
Salaries and wages	\$ 184,738	\$ 80,403	\$ 45,421	\$ 65,965	\$ -	\$ 139,408	\$ 515,935	\$ 73,420	\$ 108,692	\$ -	\$ 698,047
Payroll taxes and benefits	20,988	9,550	4,282	5,330	-	9,883	50,033	22,652	7,212	-	79,897
Cost of goods sold	-	288,564	22,795	-	2,900	1,150	315,409	-	-	-	315,409
Professional services	-	-	-	-	-	-	-	13,875	3,750	-	17,625
Printing	7,900	1,081	5,962	-	3,982	4,450	23,375	-	5,725	-	29,100
Utilities	23,029	7,544	5,632	1,034	-	15,322	52,561	6,922	2,430	-	61,913
Class expenses and supplies	28,064	-	-	-	-	13,440	41,504	-	-	-	41,504
Postage and shipping	2,447	14,763	7,867	267	4,090	1,269	30,703	70	2,434	-	33,207
Interest	-	7,006	-	-	-	-	7,006	22,050	-	-	29,056
Advertising and hospitality	4,138	15,727	3,110	352	548	7,372	31,247	95	16,441	-	47,783
Curator	5,326	-	150	-	7,982	500	13,958	-	-	-	13,958
Processing fees	6,945	9,910	1,088	464	45	1,890	20,342	206	876	-	21,424
Scholarships	-	-	-	7,357	-	-	7,357	-	-	-	7,357
Programs, shows and special projects	10,730	-	-	17,126	-	7,720	35,576	-	-	12,562	48,138
Repairs and maintenance	8,139	5,168	4,777	700	860	5,533	25,177	1,667	2,161	-	29,005
Equipment rental	1,203	1,660	667	400	-	5,315	9,245	574	3,505	-	13,324
Insurance	5,283	3,301	3,176	1,125	555	5,605	19,045	4,325	318	-	23,688
Travel	150	1,651	52	630	51	45	2,579	101	36	-	2,716
Office supplies	942	5,712	525	268	-	813	8,260	979	1,531	-	10,770
Miscellaneous	-	1,248	66	-	-	-	1,314	49	-	-	1,363
Rent expense	-	-	-	-	-	22,473	22,473	-	-	-	22,473
Gala expense	-	-	-	-	-	-	-	-	-	90,475	90,475
Subtotal	310,022	453,288	105,570	101,018	21,013	242,188	1,233,099	146,985	155,111	103,037	1,638,232
Depreciation	7,067	1,719	1,719	573	-	64,298	75,376	1,719	-	-	77,095
Loss on sale of assets	-	-	-	-	-	600	600	-	-	-	600
Uncollectible promises to give	-	-	-	-	-	1,750	1,750	-	3,550	-	5,300
Total	\$ 317,089	\$ 455,007	\$ 107,289	\$ 101,591	\$ 21,013	\$ 308,836	\$ 1,310,825	\$ 148,704	\$ 158,661	\$ 103,037	\$ 1,721,227

CRAFT ALLIANCE

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011**

	Program Services						Support Services				
	Delmar Education Center	Delmar Gallery Shop	Delmar Exhibition Gallery	Outreach	Grand Center Outreach	Grand Center	Total Program Services	Mgmt and General	Fundraising		Total
									Development	Events	
Salaries and wages	\$ 198,865	\$ 96,007	\$ 51,052	\$ 65,615	\$ -	\$ 118,558	\$ 530,097	\$ 48,651	\$ 104,277	\$ -	\$ 683,025
Payroll taxes and benefits	20,704	9,947	5,140	4,973	-	8,485	49,249	22,010	5,504	-	76,763
Cost of goods sold	-	256,977	5,315	-	2,185	456	264,933	-	-	-	264,933
Professional services	439	-	-	1,528	-	671	2,637	12,700	3,750	-	19,087
Printing	7,730	1,076	4,977	-	2,086	3,860	19,729	-	5,141	-	24,870
Utilities	21,025	7,850	5,603	1,022	-	14,629	50,129	5,664	2,572	-	58,365
Class expenses and supplies	29,761	-	-	-	-	13,186	42,947	-	-	-	42,947
Postage and shipping	2,825	14,320	6,813	196	3,283	1,356	28,795	97	2,625	-	31,517
Interest	-	6,432	-	-	-	73	6,505	24,141	-	-	30,646
Advertising and hospitality	3,633	11,882	1,658	108	1,887	4,039	23,207	109	1,031	-	24,347
Curator	20,524	-	500	-	6,000	6,200	33,224	-	-	-	33,224
Processing fees	7,303	8,088	264	413	76	2,069	18,213	1,282	1,219	-	20,714
Scholarships	-	-	-	5,040	-	-	5,040	-	-	-	5,040
Programs, shows and special projects	-	-	3,831	15,346	347	2,196	21,720	-	-	-	21,720
Repairs and maintenance	6,057	1,503	1,684	268	143	4,671	14,325	986	279	-	15,590
Equipment rental	3,872	1,955	887	1,099	-	6,270	14,083	976	5,632	-	20,691
Insurance	5,232	3,633	3,524	1,107	-	5,462	18,958	4,023	281	-	23,262
Travel	984	2,431	-	785	-	-	4,200	-	1,078	-	5,278
Office supplies	678	600	516	281	-	892	2,967	1,232	1,179	-	5,378
Miscellaneous	86	4,936	-	-	-	-	5,022	1,308	662	-	6,992
Party rental expenses	-	-	-	-	-	2,632	2,632	-	-	-	2,632
Rent expense	-	-	-	-	-	20,150	20,150	-	-	-	20,150
Fashion Lab	-	-	-	-	-	-	-	-	-	15,844	15,844
Gala expense	-	-	-	-	-	-	-	-	-	59,626	59,626
Subtotal	329,718	427,637	91,764	97,781	16,007	215,855	1,178,762	123,179	135,230	75,470	1,512,641
Depreciation	13,985	3,872	3,872	1,290	-	61,251	84,269	3,872	-	-	88,141
Loss on sale of assets	3,079	-	-	-	-	-	3,079	-	-	-	3,079
Uncollectible promises to give	-	-	-	-	-	3,000	3,000	-	9,000	-	12,000
Total	\$ 346,782	\$ 431,509	\$ 95,636	\$ 99,072	\$ 16,007	\$ 280,106	\$ 1,269,111	\$ 127,051	\$ 144,230	\$ 75,470	\$ 1,615,861