

**The Center for Knit and Crochet, Inc.**

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents - Unrestricted	\$19,992	\$22,501
Prepaid Expenses	<u>1,396</u>	<u>2,799</u>
<b>Total Current Assets</b>	<b>\$21,389</b>	<b>\$25,300</b>
 <b>TOTAL ASSETS</b>	 <b><u>\$21,389</u></b>	 <b><u>\$25,300</u></b>
<b><u>Liabilities and Equity</u></b>		
Accounts Payable	<u>\$ 891</u>	<u>\$ 0</u>
Total Current Liabilities	891	0
 <b>Total Liabilities</b>	 <b>\$ 891</b>	 <b>\$ 0</b>
<b><u>Equity</u></b>		
Net Assets - Unrestricted	\$25,300	\$18,328
Operations Excess/(Deficit)	<u>(4,802)</u>	<u>6,972</u>
<b>Total Equity</b>	<b>\$20,498</b>	<b>\$25,300</b>
 <b>Total Liabilities and Equity</b>	 <b><u>\$21,389</u></b>	 <b><u>\$25,300</u></b>

STATEMENTS OF CASH FLOW

2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
<b>Net Income</b>	<b>\$(4,802)</b>	<b>\$ 6,972</b>
 Prepaid Expenses	 1,402	 (2,799)
Accounts Payable	<u>891</u>	<u>\$ (172)</u>
<b>Total Adjustments to reconcile Net Income to Net</b>	<b>\$ 2,293</b>	<b>\$ (2,971)</b>
 Net cash provided by operating activities	 <b>\$(2,509)</b>	 <b>\$ 4,001</b>
 Cash at beginning of period	 22,501	 18,501
<b>Cash at end of period</b>	<b><u>\$19,992</u></b>	<b><u>\$ 22,501</u></b>

# The Center for Knit and Crochet, Inc.

## STATEMENTS OF ACTIVITIES

2018 and 2017

	<u>2018</u>	<u>2017</u>
<b><u>Operating Revenues</u></b>		
Donations and Gifts	\$15,663	\$14,327
Membership Dues	870	1,910
Grant Income	5,000	
Interest Earned	<u>8</u>	<u>10</u>
<b>Total Income</b>	<b><u>\$21,541</u></b>	<b><u>\$16,247</u></b>
<b><u>Operating Expenses</u></b>		
<b><u>Program Expenses</u></b>		
Digital Collections Resource costs:		
Website maintenance	\$ 1,093	\$ 1,210
Website programming	1,675	
Public Education - In-person	5,678	2,586
Public Education - Social Media	1,109	1,200
Public Education - Other	9,827	1,527
Membership development and cultivation	<u>2,434</u>	<u>926</u>
Total Program Expenses	\$21,816	\$ 7,449
<b><u>Supporting Activities</u></b>		
<b><u>Management and Administration</u></b>		
Office Expenses	110	38
Board of Director Costs	3,158	1,192
<b><u>Fundraising</u></b>		
Professional consulting	750	-
Fundraising - miscellaneous	509	596
Total Supporting Activities Expenses	<u>\$ 4,527</u>	<u>\$ 1,826</u>
<b>Total Operating Expenses</b>	<b><u>\$26,343</u></b>	<b><u>\$ 9,275</u></b>
<b>Excess (deficit) of operating revenues and support over operating expenses</b>	<b><u>\$ (4,802)</u></b>	<b><u>\$ 6,972</u></b>

# **The Center for Knit and Crochet, Inc.**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2018

### **Nature of Organization**

The Center for Knit and Crochet, Inc. (CKC) was incorporated in Wisconsin in December 2012 to preserve and promote the art, craft, and scholarship of knitting, crochet, and related arts. The CKC provides a digital Collections Resource that merges knitting and crochet from galleries, museums, libraries, and archives with individuals' personal collections of knitting and crochet in one fully searchable database, along with its Sanquhar Gloves exhibit, blog, and other online resources on its website at [www.centerforknitandcrochet.org](http://www.centerforknitandcrochet.org). It also makes in-person education available to the public at fiber industry-sponsored and other events.

### **Basis of Accounting and Significant Accounting Policies**

The accompanying financial statements of the CKC have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP) standard in the United States.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, to be effective for fiscal years beginning after December 15, 2017. The ASU significantly changes presentation of net assets on the face of the financial statements, as well as requires additional disclosures for expenses by nature and function and for the liquidity and availability of resources. The financial statements herein comply with ASU 2016-14, with 2017 being restated for comparison purposes. New account categories also reflect the evolving operations of the CKC as it moves forward with its mission.

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or supporting service are allocated directly. Other expenses that are common to several functions are allocated on various bases that reflect use.

### **Tax Exempt Status**

The CKC is exempt from income taxes under the Internal Revenue Code Section 501(c)(3) and is also exempt from Wisconsin income tax.

### **Cash and Cash Equivalents**

Cash and Cash Equivalents consist of cash held in federally insured bank accounts.

### **Net Assets**

Net Assets of the CKC are wholly unrestricted and are not subject to any restrictions on their use.

# The Center for Knit and Crochet, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

### Statement of Activities

#### Donations and Gifts include:

- Board of directors member Callie Lasch donated her time and use of her equipment valued at \$6,000 to create videos of CKC board to be used for public outreach. Lasch is a producer, director, and writer of public interest educational and documentary media.
- Board members donated \$4,000 for their expenses to attend an extremely productive in-person board meeting in Philadelphia PA in November 2018. (See also Board of Director Costs below.)
- Board member Nicole Scalessa donated her time valued at \$2,500 to redesign the CKC website.
- Board members Jennifer Lindsay and Marilyn Huset donated \$2,245 in 2018 for their expenses to attend Vogue Knitting Live in New York, NY in January 2018 and in January 2019, where they staffed tables and shared CKC's mission and accomplishments with the public, highlighting the CKC's digital collections resource. Trisha Malcom, Editor-in-Chief, Vogue Knitting magazine, generously waived the cost of tables at these events, a donation recorded at the \$350 value of the tables. (See also Public Education - In-person below.)
- Board member Marilyn Huset donated \$750 to cover the cost of a professional fundraising consultant. (See Fundraising below.)

Grant Income of \$5,000 was given by the Sally Mead Hands Foundation as a discretionary grant from Larry Hands, CKC founder Karen Kendrick Hands' husband. There are no restrictions on the use of this grant.

Digital Collections Resource costs: Website programming of \$1,675 was paid to an outside programmer to create the database for the collections resource.

Public Education - In-person includes expenses to attend Vogue Knitting LIVE in New York, a weekend show that attracts thousands of fiber enthusiasts, and is a tremendous opportunity to educate the public about our resources and our mission. Costs for the event in January of 2018 totaled \$4,991, but donations in both 2017 and 2018 brought the net cost to CKC down to \$1,071. (See Donations and Gifts above.)

# The Center for Knit and Crochet, Inc.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2018

### Statement of Activities continued

Public Education - Other includes board member Callie Lasch's time and use of her equipment valued at \$6,000 to create videos of CKC board to be used for public outreach, which she donated to the organization. Nicole Scalessa's donation of her work valued at \$2,500 for her time to redesign the CKC website, costs of website hosting and mailing list maintenance, for a total of \$2,874, were allocated based on website page visits during 2018.

Digital Collections Resource costs - Website maintenance	\$ 584
Public Education – Other	2,283
Membership development and cultivation	7

Membership development and cultivation reflects costs related to the board's implementation of NeonCRM, a cloud-based nonprofit software suite designed to support engagement with donors, management of memberships, events planning, tracking volunteers, and more. The CKC paid one-time costs to NeonCRM of \$300 for integrations and customizations/website template and \$900 for a copy, configuration and training package, plus a monthly service fee \$110 for seven months of 2018. The monthly service fee of \$110 will continue to be paid in the future.

Board of Director Costs primarily relate to the in-person board meeting in Philadelphia PA in November 2018, an annual day-long meeting that is the only time board members meet for valuable face-to-face strategizing. More board members were able to attend the 2018 meeting than in 2017 and they traveled greater distances, thus increasing the costs. The total cost of \$6,616 for the 2018 meeting was reduced by board member donations of their expenses totaling \$4,000, for a net cost to the CKC of \$2,616. Of the total meeting cost, \$3,563 was allocated to other expense categories based on the amount of time spent on specific topics, as follows:

Digital Collections Resource costs - Website maintenance	\$ 509
Public Education - Social Media	509
Public Education – Other	1,527
Membership development and cultivation	509
Fundraising – miscellaneous	509

Fundraising – Professional Consulting of \$750 is the first half of a total \$1,500 payment to Thurlow/Associates for counseling the board in development and fundraising in order to ensure that the CKC will be able to fund its goals in the future.