

**CITY OF BAINBRIDGE ISLAND  
2020 LODGING/TOURISM FUND PROPOSAL COVER SHEET**

**Project Name:** Off-Island Advertising Package

**Name of Applicant Organization:** Bainbridge Arts & Crafts

**Applicant Organization IRS Chapter 501(c)(3) or 501(c)(6) status and Tax ID Number:**  
501(c)(3)  
EIN 910714664

**Date of Incorporation as a Washington State Corporation and UBI Number:**  
Date of Incorporation: 5/25/1954  
UBI Number: 189 002 392

**Primary Contact:** Steve Tremble, Executive Director

**Mailing Address:** 151 Winslow Way East, Bainbridge Island, WA 98110

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**Please indicate the type of project described in your proposal:**

√	Project Type
<b>X</b>	Tourism marketing
	Marketing and operations of special events and festivals designed to attract tourists
	Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*
	Supporting the operations and/or capital expenditures of a tourism-related facility owned or operated by a municipality or a public facilities district*

\*If the proposal requests funds for a tourism-related facility, please indicate the legal owner of that facility:

N/A

## LODGING/TOURISM FUND APPLICATION

### Applicant Information

Please respond to each of these questions in the order listed. If the proposal includes multiple partners, please include the requested information for each organization.

1. Describe the applicant organization's mission, history and areas of expertise. Describe the applicant's experience in tourism promotion on Bainbridge Island and its demonstrated ability to complete the proposed project.

**Mission:** Founded in 1948, Bainbridge Arts & Crafts (BAC), a nonprofit art gallery, encourages the creation and appreciation of fine contemporary art and craft by exhibiting and selling the work of Northwest artists, and by offering art education to a county-wide audience of all ages. Specializing in art, art education, and art-centered outreach, BAC is the only nonprofit art gallery on Bainbridge Island that provides ongoing opportunities for artists to sale their work while offering completely free art experiences to tourists, locals, students, teachers, seniors, and the healthcare community.

**History:** Bainbridge Arts & Crafts was founded in 1948 by a group of local artists who wanted to learn about art, sell art, and see more art created by a wide variety of local artisans and Northwest luminaries. The first meeting in a Bainbridge home gave way to larger gatherings in churches and public halls. By 1953, Bainbridge Arts & Crafts had settled in its first professional home inside the former Review Building near the current ferry terminal drive.

Bainbridge Arts & Crafts formally incorporated as a nonprofit in 1958 to further its mission of supporting Northwest artists and providing art education to the community. In 2017, the organization rebranded itself as The Art Project. This was not a welcomed change within the community. When current Executive Director, Steve Tremble, came on board in April of this year the organization returned to its historic and beloved name of Bainbridge Arts & Crafts. Though there are a number of reasons for retaining the original name, the one that resonates with this proposal is the Bainbridge brand. It is a strong national brand, and any organization, particularly one that focuses on local artists, should be thrilled to have the name Bainbridge attached to it.

In August of this year, we secured the 1,800 sq ft space next to BAC and down the stairs (the former used book space) to consolidate our storage of artwork and more importantly to provide additional space to show work, ship work, and provide space for classes. This space is also in the passageway to Meli Melo, so this provides an additional boost to their tourist traffic.

Our core mission continues. We provide a sales venue for local and regional artists so that we may contribute to their livelihood; we complement arts education in local schools; we put art to work in the human services arena; and we partner with other community organizations across disciplines to broaden our reach and strengthen our ties. All of our activities underscore the richness of Bainbridge Island as a thriving arts community and as an arts destination.

**Areas of expertise:** As an island institution and oldest nonprofit art gallery, outreach organization, and education center, Bainbridge Arts & Crafts' areas of expertise and public impact are diverse. By showing and selling fine works of contemporary art and craft, we bring to light new art by Northwest artists (many who live on Bainbridge), which engages the public and nurtures the livelihoods of artists at all stages of their careers, all year long. We exhibit the work of over 270 local and Washington State artists, through our

newly renovated gallery and through a rotating special exhibition program that spotlights a subset of artists, mediums, and/or special themes. We install new exhibitions once per month without. In 2019 we installed 32 special exhibitions featuring work by 165 artists working in an array of mediums. Two members of the staff have over ten years of experience at the gallery and our deeply connected to the artists' community.

BAC's storefront, exhibition program, and year-round educational activities draw visitors from all over the country and the world; last year we welcomed over 40,000 visitors and shipped works of art to 38 states as well as to four non-US destinations. Our First Friday artist's receptions are typically overflowing with patrons, consistently welcoming 300-400 visitors per event.

At the same time, by offering completely free visual art education programming, we take the joy of making and learning about art to people of all abilities and means. Of particular significance to our tourism efforts is BAC Saturday artist's talks. These monthly events get the public in front of artists at work, offering intimate insights into the artistic process. Last year we offered 19 free Saturday events with a total of over 300 attendees. We encourage a casual, drop-in environment that helps break down barriers between artists and the public. And the fact that we offer these events year-round, not just in the heavy tourist months, underscores our commitment to drawing visitors during the off-season.

**Experience in tourism promotion:** Art is a big tourist draw, and Bainbridge Island has developed an increasingly strong reputation as an arts destination. Visitors to Bainbridge Island frequently wish to take home something that is one of a kind and Northwest-centric, one that tells a story of the region and of their visit. When tourists walk through our gallery, their questions, comments, and target acquisitions revolve around local and special.

We work with the Seattle hotel concierge and local lodging managers to direct people to Bainbridge and BAC. On this October First Friday, we are participants in a group tour for 15 concierge set up by Visit Bainbridge. BAC will be on their itinerary and we are providing them with collateral and a gift from the gallery. As an example of the importance of concierge cultivation, in August a tourist couple from England visiting Seattle were directed by their hotel's concierge to visit Bainbridge and BAC. They purchased a \$2,400 piece at the BAC gallery which we shipped for them to the UK.

BAC is an island institution, to connect with visitors we share with them the story of Bainbridge Arts & Crafts. Founded in 1948, BAC was the first nonprofit arts organization on Bainbridge Island, and since our inception, we have consistently nurtured the development and livelihood of artists at every stage of their careers by publicizing, showing, and selling their work.

Equally important, we provide vital arts programming for schools, grants for local art teachers, and college scholarships for art students. We also send teaching artists into retirement centers and medical facilities year-round, utilizing our expertise to extend the proven healing power of creating art.

We represent 270 artists working in a wide range of mediums. We know these artists, we know where they come from, and we are able to articulate to visitors what makes their work special. What's more, we're able to communicate to visitors that their purchases have an impact beyond their own personal pleasure in acquiring a piece as the proceeds are going to support free visual art education and outreach in the local community. Tourists tell us that they like knowing that what they buy is having a positive impact on the community that they're visiting.

In addition to our direct customer interactions, Bainbridge Arts & Crafts has a robust year-round marketing plan that promotes our exhibitions and offerings. We distribute a monthly exhibition postcard to 1800 members, patrons, and visitors per month. We have a fresh, up-to-date, easy-to-navigate website. We have a lively social media presence on Instagram and Facebook and post our events and exhibitions in community calendars throughout the region including our local publications and *The Stranger's Arts & Performance Quarterly*. We place printed display advertisements in local publications including *The Bainbridge Review*, *The Kitsap Sun*, *Bainbridge Island Magazine*, and *Currents* as well as the regional publication *Art Access*. We also place monthly ads on the Washington State Ferry video screens.

It is to help support off island advertising outlets – *American Craft* (national circulation of over 100,000), *Art Access*, *The Stranger's Arts & Performance Quarterly*, and the Washington State Ferries for which we seek \$19,000 in LTAC support this year. The three printed publications have large and broad-based distributions nationally in the case of *American Craft* and throughout the Pacific Northwest for all of them. Along with a strong online presence. And the Washington State Ferry ads are seen by thousands of visitors each year. It is through those outlets that we reach the largest number of tourists and visitors and can, in turn, promote our island as a rich cultural destination.

**Demonstrated ability to complete the project:** BAC has successfully completed every project made possible in part or in full through grant funds received from the LTAC.

2. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note that the maximum award of \$137,500 will apply to any single project, even if proposed by a team of partners.

While Bainbridge Arts & Crafts is not partnering with one particular organization in our request for LTAC funds this year, it's important to note that in carrying out our exhibitions, education programs, and outreach efforts, we partner with many different businesses and organizations all year, every year. Partnerships this past year included but were not limited to:

**The Bainbridge Island School District and local private schools.** Bainbridge Arts & Crafts supports visual art education in Bainbridge Island schools by providing annual grants to art teachers and scholarships and prizes to students, and by exhibiting artwork by K-12 students each May. Our annual student shows draw not just local families but also grandparents and the first wave of seasonal tourists. These shows generate an incredible amount of enthusiasm among visitors, who are amazed at the high caliber of student work produced on Bainbridge Island. Our annual student shows give an important boost to young exhibiting artists, *and* they paint our island's schools and art programs in a tremendously positive light.

**Our artists.** We consider our artists to be primary partners. We show the work of artists living throughout the Northwest. These artists are effective co-promoters, and those who participate in special exhibitions during any given month will bring a fresh crop of visitors to Bainbridge to see their work. Many have their own mailing lists which we integrate into ours.

3. If appropriate, please list each project and amount of funding awarded and utilized from the Lodging Tax (Civic Improvement) Fund within the last five years (2014-2019).

- **2019** Marketing in process. Anticipate using all of the \$15,000 award
  - **2018:** Advertising in the Stranger: \$1,600. Plus, Postcard Bulk Mailing: Off-Island, \$1080. 10 months of Washington State Ferry video screen advertising, \$2,500
  - **2017:** Twelve months of Washington State Ferry video screen advertising: \$3,000
  - **2015:** Spring, summer, and fall listings in *Art Access* Magazine, plus 10 months of Washington State Ferry video screen advertising: \$3,449
  - **2014:** Seven months of Washington State Ferry video screen advertising; four quarters of listings and images in *Art Access* magazine; one front cover of *Art Access* to promote the Johnpaul Jones exhibit in April: \$5,160
4. If any projects previously funded through the Lodging Tax (Civic Improvement) Fund were not completed and/or if reports were not submitted to the City as requested, please explain:

Bainbridge Arts & Crafts has successfully carried out and reported on every project funded through the Lodging Tax (Civic Improvement) Fund.

### Project Information

#### 1. Describe the proposed project.

**a. Scope:** Identify the Project's main objectives and how each will be achieved. Be as specific as possible about the proposed services, measurable impacts, distribution method, and costs.

The primary objective of our 2020 Off-Island Advertising Program, for which we are seeking \$14,000 from the LTAC fund, is to promote tourism for Bainbridge Island. We want to build awareness and excitement among ferry passengers, hotel guests, museum-goers, and gallery hoppers that Bainbridge Island is a priority destination in large part because of its thriving arts scene.

To achieve our objective, Bainbridge Arts & Crafts will purchase:

**Three months of ads in American Craft magazine.** This long established publication that has 100,000 plus national circulation has a demographic that fits the BAC demographic and the Bainbridge tourist demographic.

**Twelve months of listings, images, and map placements in Art Access magazine.** *Art Access* is one of the most comprehensive guides to monthly art shows and art events in the Puget Sound region, and we have long considered it our most effective, broad-reaching means of advertising our exhibitions. Its 11,500 print magazines are distributed every other month to concierge desks, luxury hotels, museums, galleries, fine restaurants, coffee houses, art supply stores, frame shops, and bookstores from Bellingham to Portland. Tour leaders and convention planners frequently place copies of the magazine in their guest packets. *Art Access* also provides all of its content online via Facebook and at [www.artaccess.com](http://www.artaccess.com) including directories, listings, maps, and an e-magazine that is easy to access from a mobile device.

**Twelve months of video screen advertising on Washington State Ferries.** Each month, Bainbridge Arts & Crafts will produce a unique ad that will be projected on 14 screens (6 on the Tacoma, 6 on the Wenatchee, 2 at the Bainbridge terminal, and 2 at Colman Dock). Our 15-second ad will be projected on each of the 14 screens once during every 15-minute loop for 20 hours each day 30 days per month,

adding up to 38,400 spots per month. BAC staff produces these digital ads in-house, and WSF offers us a significantly reduced nonprofit rate of \$250 per month.

**Four quarters of advertising in The Stranger's Arts & Performance Quarterly.** A presence in *The Stranger's* always-anticipated *Arts & Performance Quarterly* sends a message to those living in and visiting Seattle that Bainbridge Island is a sophisticated player in the Puget Sound arts community. Typically galleries like ours, advertise in the calendar section, as well.

With a commitment to a full year, ads run \$250 totaling \$1,000 for the year.

Together these two publications will attract a broad audience to Bainbridge Island and BAC. Our island city is a short excursion across the Sound by means of a ferry ride – and yet from the city.

**Twelve New Exhibition Postcards | Bulk Mailings** An 8.5" x 5 ½" postcard is mailed out every month to announce each new Art Walk Exhibition Opening, along with Artist's Talks, a free event in the gallery. In addition, we plan to create and mail four additional cards for special events, one being a large Studio Sale that will draw off island patrons. 38% of our bulk mailings are off-island. Monthly bulk mailing costs \$400 x 16. Total+\$6,400. 38%=\$2,500.

- b. Budget:** Include a detailed budget for the proposed project itemizing expenses and income. Include the amount requested from the Lodging Tax Fund and identify other sources of funding anticipated or obtained, including matching funds, as well as any in-kind contributions necessary to complete the project.

Please see the attached project budget.

- c. Schedule:** Provide a project timeline that identifies major milestones.

Bainbridge Arts & Crafts will purchase, produce, and place the following ads from January 1-December 31, 2020:

- Twelve Washington State ferry ads, one per month
- Six Art Access listings and images, one every other month
- Four Stranger APQ ads, one per quarter plus one other special
- 16 off-island New Exhibition/Special Events Postcard mailings (38% of our total mailing)
- Three American Craft ads spread through-out the year

If applicable, please describe the project's scalability. How would the project scope and budget be adjusted should the full amount of the LTAC funding request not be awarded? Please provide specifics.

Our advertising package project is extremely scalable as it has five different components that are scalable in themselves.

**2. Provide a brief narrative statement to address each of the stated selection criteria. Describe outcomes anticipated from each criterion, as well as the overall project.**

- a.** Expected impact on increased tourism in 2020. Please provide specific estimates of how the project will impact the number of people traveling fifty miles or more to Bainbridge Island for the activity, or who will travel from another country or state outside of Washington State to attend the activity. If appropriate, compare/contrast this impact to the actual or estimated number of tourists at your event/facility in 2018 and estimates for 2019.

BAC measures the effectiveness and importance of our off-island advertising in three ways: by tracking sales year to year, by tracking gallery attendance, and by tracking the number of items shipped out of state and out of country each year.

Income from the sale of artwork in 2018 sales was \$407,534.

A second measure is the number of people who visit the gallery, which we track at the front desk. In the last two years we have averaged 35,000 visitors and are currently tracking at 40,000 for this year.

We also assess our tourism appeal by the number of items shipped and the geographical spread of the shipping destinations. In FY 2019 we shipped artwork to 36 states and four foreign countries. Just last week we had a tourist from Quebec drop in a purchased a \$900 painting.

- b.** Expected impact on or increase in overnight stays on the island. Please include actual or estimated numbers of tourists who will stay overnight in paid accommodations in Bainbridge Island lodging establishments in 2020 as a result of the proposed activities. Please include the basis for any estimates.

Any overnight stays directly resulting from Bainbridge Arts & Crafts activities will likely come from friends and family who visit artists in celebration of our opening exhibitions, from grandparents and other extended family members who want to see the student art shows. Twelve artists' receptions, one student art show, one annual sale, and two to other programs still in planning stage total 16 events with the potential of one to two overnight stays per event, for a total of 16-32 room nights per year.

- c.** Projected economic impact on Bainbridge Island businesses, facilities, events, and amenities, including sales of overnight lodging, meals, tours, gifts, and souvenirs (helpful data may be found on the Washington State Department of Commerce website).

Bainbridge Arts & Crafts serves our island's business and cultural community by regularly referring visitors to local restaurants (many patrons have been asking us about BA/SA), hotels, businesses, and cultural facilities. Our staff knows the island well and is always ready with suggestions for where to go for meals, retail endeavors, local shows and movies, fresh local food, local lodging, and museums. The majority of BAC staffers have lived on Bainbridge Island for many years and frequent these neighborhoods and businesses ourselves. We at Bainbridge Arts & Crafts know that we are one part of Bainbridge Island's whole tourist experience, so we enjoy referring people elsewhere.

- d.** The project’s potential to draw visitors to the Island and increase overnight stays during the off-season, i.e., October 1 until Memorial Day.

As described earlier, we will measure amount of sales, number of items shipped, number of visitors, and number of artists, friends, and family who stay overnight after attending opening receptions at BAC during these off-season months.

- e.** The applicant’s demonstrated history of organizational and project success.

BAC has successfully completed every project funded with support from LTAC as well as dozens of projects funded by organizations as varied as Bainbridge Community Foundation, Suquamish Foundation, Kitsap Community Foundation, Fletcher Bay Foundation, and individual sponsors and donors. BAC is a professionally staffed, well-run retail and exhibition gallery with an excellent track record over our 71-year existence.

- f.** Describe any partnerships with other organizations and businesses in the proposed project – including efforts to minimize duplication of services where appropriate and encourage cooperative marketing.

While Bainbridge Arts & Crafts is not directly partnering with any other organizations for this particular project, we engage in ongoing partnerships with other private businesses and nonprofit organizations to fulfill our mission all year long. Please see the response to question #2 in the Applicant Information section for more details.

- g.** Describe how this project is new to our community or reflects an innovative use of LTAC funds.

Though the core purpose and activity in the project remains the same (as it has been effective), the new piece is advertising in large circulation national publication. American Craft resonates with the most passionate of our patrons and potential patrons. Though it is pricier than our other publications, the possibilities for impact are significant.

- h.** Expected draw for the proposed event, in particular how it will both generate an expected increase in tourism and appeal to the community.

As noted earlier in this document, we will draw over 40,000 visitors to BAC this year. A good number of these visitors are not Bainbridge residents (and in particular these out of town visitors are part of the subset that spend significant sums at the gallery). Outreach through selective advertising is critical to growing the visitor number.

- i.** If for a capital project, detail the project’s expected impact on tourism.

N/A

- j.** Describe the degree to which the project goals and/or results can be objectively assessed.

As described in section 2a above, we will track sales, number of items shipped, and gallery attendance as well as overnight stays by artists and their friends and families following special exhibitions and

events. All of these measurements will give us an indication of whether our advertising strategy is working. For several years we saw an upward trend in these areas that correlated to supplemental advertising funding.

- k. Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services.

Our total project budget for off-island advertising is \$40,000, which includes the advertising itself plus the cost of in-house project management, writing, and design. BAC is requesting \$14,000 from LTAC. Trans4Media offers a 50% nonprofit discount, totaling \$1,500 of in-kind contributions. Bainbridge Arts & Crafts will earmark \$4,000 of exhibition sales revenue for advertising.

### **Supporting Documentation**

1. Provide copies of your organization's 2018 income/expense summary.

Please see attached.

2. Provide an estimate of 2019 revenue and expenses.

Please see attached.

3. Letters of Partnership – Include letters from any partnering organizations committing to joint sponsorship of the application and specifying their intended activities.

N/A

## Bainbridge Arts & Crafts

### F18 Actual

	F18 Actual	F18 Plan
<b><i>Fundraising Income</i></b>		
TAP Funding	18,000	-
Almost Perfect Sales	-	40,000
Arts Auction	103,528	100,000
Semi-Annual Fund Drives	24,612	30,000
General Contributions	10,244	20,000
Grant Revenue	25,900	17,600
Membership	17,310	25,000
<b><i>Total Fundraising Income</i></b>	<b>199,593</b>	<b>232,600</b>
<b><i>Program Income</i></b>		
Art Lending Income	29,417	32,500
Exhibition Sales	109,086	200,000
Education & Workshops	-	-
<b><i>Total Program Income</i></b>	<b>138,503</b>	<b>232,500</b>
<b><i>Gallery Store Income</i></b>		
Owned Inventory Sales	14,396	12,500
Retail Consignment Sales	298,448	305,000
Shipping & Handling	8,034	6,210
Less: Discounts	(21,959)	(20,700)
<b><i>Total Gallery Store Income</i></b>	<b>298,919</b>	<b>303,010</b>
<b>Total Income</b>	<b>637,015</b>	<b>768,110</b>
<b><i>Cost of Good Sold</i></b>		
Consignment Payments	219,442	294,750
Cost of Goods - Owned Inventory	3,245	5,000
Sales Expense	24,861	27,660
<b><i>Total Cost of Goods Sold</i></b>	<b>247,548</b>	<b>327,410</b>
<b>Gross Profit</b>	<b>389,467</b>	<b>440,700</b>
<b><i>Operating Expenses</i></b>		
Administrative Expense	7,960	7,500
Advertising	11,044	10,000
Event Expense	7,813	8,000
Printing & Design	14,156	9,000
Auction Expense	28,161	20,000
Depreciation Expense	4,214	3,600
Independent Contractors	11,547	11,150
Insurance & Taxes	9,282	9,320
Interest Expense	3,685	2,000
Licenses & Dues	1,285	1,500
Office Expense	15,384	16,000
Payroll & Health Insurance	358,623	392,000
Prizes and Scholarships	9,735	10,750
Rent	77,400	74,400
Technology	8,241	7,000
Marketing & PR Consulting	54,959	-
<b><i>Total Operating Expense</i></b>	<b>623,489</b>	<b>582,220</b>
<b>Net Income Before Endowment</b>	<b>(234,023)</b>	<b>(141,520)</b>
Endowment Withdrawal	339,000	130,000
<b>Net Income After Endowment</b>	<b>104,977</b>	<b>(11,520)</b>

**Bainbridge Arts & Crafts**  
**Income over Expenses for the Period Ended June 30, 2019**

	Actual Monthly	Budget Monthly	Variance	Actual YTD	Budget YTD	Variance	Annual Budget
<b>Fundraising Income</b>							
TAP Funding	-	-	-	-	-	-	-
Arts Auction	-	-	-	-	100,000	(100,000)	100,000
Semi-Annual Fund Drives	-	4,000	(4,000)	8,584	25,000	(16,416)	25,000
General Contributions	656	1,000	(344)	5,921	12,000	(6,079)	12,000
Grant Revenue	-	3,000	(3,000)	17,554	25,000	(7,446)	25,000
Membership	1,650	1,500	150	14,100	18,000	(3,900)	18,000
<b>Total Fundraising Income</b>	<b>2,306</b>	<b>9,500</b>	<b>(7,194)</b>	<b>46,159</b>	<b>180,000</b>	<b>(133,841)</b>	<b>180,000</b>
<b>Program Income</b>							
Art Lending Income	3,069	2,500	569	28,707	29,500	(793)	29,500
Almost Perfect Sales	-	-	-	27,105	40,000	(12,895)	40,000
Exhibition Sales	8,994	10,000	(1,007)	101,536	120,000	(18,464)	120,000
<b>Total Program Income</b>	<b>12,063</b>	<b>12,500</b>	<b>(437)</b>	<b>157,349</b>	<b>189,500</b>	<b>(32,151)</b>	<b>189,500</b>
<b>Gallery Store Income</b>							
Owned Inventory Sales	158	1,250	(1,092)	4,775	12,500	(7,725)	12,500
Retail Consignment Sales	20,548	20,000	548	239,217	300,000	(60,783)	300,000
Shipping & Handling	932	375	557	4,981	5,190	(209)	5,190
Less: Discounts	(649)	(1,250)	601	(12,292)	(17,300)	5,008	(17,300)
<b>Total Gallery Store Income</b>	<b>20,990</b>	<b>20,375</b>	<b>615</b>	<b>236,681</b>	<b>300,390</b>	<b>(63,709)</b>	<b>300,390</b>
<b>Total Income</b>	<b>35,359</b>	<b>42,375</b>	<b>(7,016)</b>	<b>440,189</b>	<b>669,890</b>	<b>(229,701)</b>	<b>669,890</b>
<b>Cost of Good Sold</b>							
Consignment Payments	16,663	16,250	413	200,617	250,750	(50,133)	250,750
Cost of Goods - Owned Inventory	76	500	(424)	2,202	5,000	(2,799)	5,000
Sales Expense	1,094	1,700	(606)	18,059	24,090	(6,031)	24,090
<b>Total Cost of Goods Sold</b>	<b>17,834</b>	<b>18,450</b>	<b>(616)</b>	<b>220,877</b>	<b>279,840</b>	<b>(58,963)</b>	<b>279,840</b>
<b>Gross Profit</b>	<b>17,525</b>	<b>23,925</b>	<b>(6,400)</b>	<b>219,312</b>	<b>390,050</b>	<b>(170,738)</b>	<b>390,050</b>
<b>Operating Expenses</b>							
Administrative Expense	432	655	(223)	7,335	7,840	(505)	7,840
Advertising	845	1,425	(580)	16,055	14,100	1,955	14,100
Event Expense	351	700	(349)	6,635	7,900	(1,265)	7,900
Printing & Design	86	1,000	(914)	6,797	12,000	(5,203)	12,000
Auction Expense	-	-	-	1,000	25,000	(24,000)	25,000
Depreciation Expense	444	450	(6)	5,320	5,400	(80)	5,400
Independent Contractors	1,050	730	320	12,055	7,050	5,005	7,050
Insurance & Taxes	108	125	(17)	8,818	9,290	(472)	9,290
Interest Expense	-	300	(300)	1,332	3,600	(2,268)	3,600
Licenses & Dues	75	-	75	1,305	1,300	5	1,300
Office Expense	880	1,315	(435)	14,169	16,000	(1,831)	16,000
Payroll	28,497	24,263	4,234	293,913	302,000	(8,087)	302,000
Gifts/Donations/Prizes/Scholarships	-	-	-	9,435	9,800	(365)	9,800
Rent	6,578	6,200	378	76,080	74,400	1,680	74,400
Technology	1,364	650	714	8,725	7,800	925	7,800
Marketing/PR Consulting	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>40,709</b>	<b>37,813</b>	<b>2,896</b>	<b>468,973</b>	<b>503,480</b>	<b>(34,507)</b>	<b>503,480</b>
<b>Net Income Before Endowment</b>	<b>(23,184)</b>	<b>(13,888)</b>	<b>(9,296)</b>	<b>(249,661)</b>	<b>(113,430)</b>	<b>(136,231)</b>	<b>(113,430)</b>
<b>Endowment Withdrawal</b>	<b>23,000</b>	<b>-</b>	<b>23,000</b>	<b>319,500</b>	<b>115,000</b>	<b>204,500</b>	<b>115,000</b>
<b>Net Income After Endowment</b>	<b>(184)</b>	<b>(13,888)</b>	<b>13,704</b>	<b>69,839</b>	<b>1,570</b>	<b>68,269</b>	<b>1,570</b>