

DANFORTH MUSEUM CORPORATION

AUDITED FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2012 AND 2011

DANFORTH MUSEUM CORPORATION

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2012 AND 2011

CONTENTS

Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3-4
Statements of Cash Flows	5
Notes to Financial Statements	6-12
Independent Auditors' Report on Supplementary Information	13
Supplementary Information	
Schedules of Functional Expenses	14-15



E.L. MANN, PC
CERTIFIED PUBLIC ACCOUNTANTS

Accountants, Auditors, and Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Danforth Museum Corporation
Framingham, Massachusetts

We have audited the accompanying statements of financial position of Danforth Museum Corporation (a Massachusetts not-for-profit corporation) as of August 31, 2012 and 2011, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Danforth Museum Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Danforth Museum Corporation at August 31, 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.

E.L. Mann, PC

Framingham, Massachusetts

February 19, 2013

DANFORTH MUSEUM CORPORATION
STATEMENTS OF FINANCIAL POSITION
August 31,

ASSETS

	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 254,515	122,711
Money market funds	392,437	39,798
Net cash and cash equivalents	646,952	162,509
Accounts receivable	24,173	10,758
Gifts and grants receivable	88,636	55,000
Prepaid expenses	25,242	35,649
TOTAL CURRENT ASSETS	785,003	263,916
NET PROPERTY AND EQUIPMENT	232,614	255,354
NON-CURRENT GRANT RECEIVABLE	-	20,000
TOTAL ASSETS	\$ 1,017,617	539,270

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 19,135	35,532
Accrued expenses	41,943	20,684
Line of credit	-	24,445
Deferred revenue	93,992	101,181
TOTAL CURRENT LIABILITIES	155,070	181,842
NET ASSETS		
Unrestricted		
Board designated	499,091	-
Undesignated	246,351	203,613
Temporarily restricted	117,105	153,815
TOTAL NET ASSETS	862,547	357,428
TOTAL LIABILITIES AND NET ASSETS	\$ 1,017,617	539,270

The accompanying notes are an integral part of these financial statements.

DANFORTH MUSEUM CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended August 31, 2012

	Unrestricted Operating	Temporarily Restricted	Total
OPERATING REVENUE AND SUPPORT			
Grants and contributions	\$ 885,132	22,000	\$ 907,132
Special event revenue	90,611	-	90,611
Admissions and programs	46,513	-	46,513
Museum school tuition	555,336	-	555,336
Gift shop sales	39,363	-	39,363
Membership income	95,685	-	95,685
Investment income	9,417	9	9,426
In-kind contributions: Rent	340,000	-	340,000
Net Assets released from restrictions - renovations	-	-	-
Net Assets released from restrictions - other	58,719	(58,719)	-
TOTAL OPERATING REVENUE AND SUPPORT	2,120,776	(36,710)	2,084,066
OPERATING EXPENSES			
Program costs			
Programs	1,068,288	-	1,068,288
Supporting services			
Fundraising	191,212	-	191,212
Management and general	319,447	-	319,447
Total supporting services	510,659	-	510,659
TOTAL OPERATING EXPENSES	1,578,947	-	1,578,947
INCREASE (DECREASE) IN NET ASSETS	541,829	(36,710)	505,119
NET ASSETS AT BEGINNING OF YEAR	203,613	153,815	357,428
NET ASSETS AT END OF YEAR	\$ 745,442	117,105	\$ 862,547

The accompanying notes are an integral part of these financial statements.

DANFORTH MUSEUM CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended August 31, 2011

	Unrestricted Operating	Temporarily Restricted	Total
OPERATING REVENUE AND SUPPORT			
Grants and contributions	\$ 371,060	93,968	\$ 465,028
Special event revenue	78,377	-	78,377
Admissions and programs	35,244	-	35,244
Museum school tuition	553,546	-	553,546
Gift shop sales	41,655	-	41,655
Membership income	77,326	-	77,326
Investment income	475	-	475
In-kind contributions: Rent	340,000	-	340,000
Net Assets released from restrictions - renovations	57,649	(57,649)	-
Net Assets released from restrictions - other	23,318	(23,318)	-
TOTAL OPERATING REVENUE AND SUPPORT	1,578,650	13,001	1,591,651
OPERATING EXPENSES			
Program costs			
Programs	1,094,387	-	1,094,387
Supporting services			
Fundraising	166,697	-	166,697
Management and general	275,151	-	275,151
Total supporting services	441,848	-	441,848
TOTAL OPERATING EXPENSES	1,536,235	-	1,536,235
INCREASE (DECREASE) IN NET ASSETS	42,415	13,001	55,416
NET ASSETS AT BEGINNING OF YEAR	161,198	140,814	302,012
NET ASSETS AT END OF YEAR	\$ 203,613	153,815	\$ 357,428

The accompanying notes are an integral part of these financial statements.

DANFORTH MUSEUM CORPORATION
STATEMENTS OF CASH FLOWS
Years Ended August 31,

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Changes in net assets	\$ 505,119	\$ 55,416
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Donated securities	(344,407)	-
Gain on sale of donated securities	(8,403)	-
Depreciation	22,740	29,699
Changes in operating assets and liabilities:		
Accounts, gifts and grants receivable	(27,051)	(33,928)
Prepaid expenses	10,407	(3,385)
Accounts payable and accrued expenses	4,862	(19,514)
Deferred revenue	(7,190)	10,676
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>156,077</u>	<u>38,964</u>
INVESTING ACTIVITIES:		
Proceeds from sale of donated securities	352,810	-
Acquisition of property and equipment	-	(48,304)
NET CASH FOR INVESTING ACTIVITIES	<u>352,810</u>	<u>(48,304)</u>
FINANCING ACTIVITIES:		
Net payments on line of credit	(24,445)	(6,706)
NET CASH FOR FINANCING ACTIVITIES	<u>(24,445)</u>	<u>(6,706)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	484,442	(16,046)
Cash and cash equivalents, beginning of period	<u>162,509</u>	<u>178,555</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 646,952</u>	<u>\$ 162,509</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 1,060	\$ 1,640

The accompanying notes are an integral part of these financial statements.

DANFORTH MUSEUM CORPORATION

Notes to Financial Statements

August 31, 2012 and 2011

A. NATURE OF ACTIVITIES

Danforth Museum Corporation (the "Museum"), a not-for-profit organization located in Framingham, Massachusetts, was incorporated in the Commonwealth of Massachusetts in 1973 to provide artistic, cultural, and educational programs and activities to the residents of Framingham and surrounding communities.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial statement presentation – The financial statements have been prepared on the accrual basis of accounting in accordance with standards promulgated by the Financial Accounting Standards Board (FASB) for general purpose financial statements of not-for-profit organizations. These standards require that information regarding financial position and activities be classified into three net asset categories: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition they require that unconditional promises to give (pledges) are recorded as receivables and revenues and that the organization distinguishes between contributions received for each net asset category in accordance with donor imposed restrictions. Net asset categories are described as follows:

Unrestricted net assets include resources that are neither permanently nor temporarily restricted by donor stipulation.

Temporarily restricted net assets include contributions with donor-imposed restrictions, which have not been met. Amounts released from restriction during the year of contribution are classified as unrestricted in the accompanying financial statements.

Permanently restricted net assets include contributions that require, by donor restrictions, that the principle be invested in perpetuity and only the income be made available for operations. The Museum does not have permanently restricted net assets at August 31, 2012 and 2011.

2. Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.
3. Cash and cash equivalents – For financial statement purposes the Museum considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

DANFORTH MUSEUM CORPORATION
Notes to Financial Statements
August 31, 2012 and 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents (continued)

Included in cash are amounts received from the Marks Fund, which are required to be kept in a separate bank account, reserved for the acquisition and preservation of the Museum's collections. Restricted cash, included in temporarily restricted net assets is \$10,789 and \$10,952 as of August 31, 2012 and 2011.

4. Accounts receivable - The Museum performs ongoing credit evaluations of their customers' financial condition and generally does not require collateral on accounts receivable arising in the normal course of business. When considered necessary by management, a provision for an allowance for uncollectible accounts is included in the financial statements. At August 31, 2012 and 2011, management has concluded that no allowance for doubtful accounts is required.
5. Property, improvements, equipment, and depreciation - Property and equipment are recorded at cost, if purchased, or, if donated, at fair market value on the date of donation. Items in excess of \$1,000 are capitalized while expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years.
6. Permanent collection additions - The Museum's permanent collections, acquired through purchase and donation, are not recognized as assets in the accompanying financial statements. Purchases of collection items are recorded in the year in which the items are acquired as decreases in unrestricted net assets. Contributed collection items are also not reflected in the financial statements.

During the year ended 2012 the Museum received and expended gifts aggregating \$23,400 for the acquisition of specific works of art for its permanent collection. During the year ended 2011 no acquisition costs were incurred.

7. Revenue recognition - Contributions and grants received, including receipts of unconditional promises to give, are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending upon the existence of donor restrictions. When a restriction expires or the specific purpose is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions of donated non-cash assets are recorded at their fair values in the period received.

Temporarily restricted contributions that meet the qualifying purposes within the same fiscal year they are received are included in unrestricted contributions.

DANFORTH MUSEUM CORPORATION
Notes to Financial Statements
August 31, 2012 and 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Tuition fees are recorded as deferred revenue when received and recognized when services are performed as the corresponding classes commence.

Memberships are recognized as revenue ratably over the period during which the member is entitled to receive services, beginning with the month the dues are received.

8. *Income Taxes* – The Museum is exempt from federal income taxation as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Museum are deductible by donors within the requirements of the Internal Revenue Code.

Generally accepted accounting principles as practiced in the United States require an entity to assess the probability that a tax position has a “more likely than not” (MLTN) sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Interest and penalties, if any, related to assessments by tax authorities will be classified as a component of interest expense and other expense, respectively, in the statement of activities.

A tax position may be considered as taken any time a taxpayer chooses amongst alternatives that affect the amount of their tax obligations and include for example: tax exempt status; status as a pass-through entity (S Corporations, etc.); decisions made in the process of conforming with tax laws; decisions not to file in certain jurisdictions; allocation of income between jurisdictions and the characterization of income or expenses. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances the statute of limitations may remain open indefinitely. The Museum has been notified by the Internal Revenue Service that it meets the qualifications to be classified as a tax exempt entity under section 501(c)(3) of the Internal Revenue Code. Since the continuance of this status is based upon continuing qualification, the Museum has identified this as a tax position. However, it has determined that this tax position meets MLTN sustainability and does not result in an uncertainty requiring recognition.

Income from activities not directly related to the Museum’s tax-exempt purpose is subject to taxation as unrelated business income. During the years ended 2012 and 2011, the Museum did not incur any income taxes related to such activities.

DANFORTH MUSEUM CORPORATION
Notes to Financial Statements
August 31, 2012 and 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Expense allocation – Expenses related directly to a program are charged to that program. Other expenses are allocated based upon management’s estimate of the percentage attributable to each program.
10. Advertising – Advertising costs are expensed as incurred and approximated \$15,200 and \$7,000 for the years ended August 31, 2012 and 2011, respectively.
11. Reclassifications – Certain amounts in the August 31, 2011 financial statements have been reclassified to conform to the current presentation. Net assets and changes in net assets were not affected by these reclassifications.

C. LINE OF CREDIT

The Museum maintains a revolving line of credit, due on demand and renewable annually in September, allowing for maximum borrowings of \$100,000, secured by substantially all assets of the Museum. The line requires minimum monthly payments of 2% of the outstanding principal balance plus a variable interest rate of 1.5% over the prime rate with a floor of 5.75%. The interest rate at August 31, 2012 and 2011 was 5.75%. Interest expense for the years ended 2012 and 2011 was \$1,060 and \$1,640 respectively. There was no outstanding balance at August 31, 2012.

D. PROPERTY AND EQUIPMENT

At August 31, property and equipment consists of the following:

	2012	2011
Furniture and fixtures	\$ 55,489	55,489
Museum school equipment	39,614	39,614
Museum equipment	12,442	12,442
Computer equipment and software	102,601	102,601
Leasehold improvements	416,776	416,776
Total	626,922	626,922
Accumulated depreciation	(394,308)	(371,568)
NET PROPERTY AND EQUIPMENT	\$ 232,614	255,354

DANFORTH MUSEUM CORPORATION

Notes to Financial Statements

August 31, 2012 and 2011

E. DEFERRED REVENUE

Deferred revenue related to the following as of August 31:

	<u>2012</u>	<u>2011</u>
Membership	\$ 44,117	52,378
Museum school tuition	<u>49,875</u>	<u>48,803</u>
	<u>\$ 93,992</u>	<u>101,181</u>

F. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of August 31:

	<u>2012</u>	<u>2011</u>
Acquisitions and preservation	\$ 10,788	10,952
Capital campaign	5,000	-
Development and membership	45,000	45,000
Education and outreach programs	33,898	47,426
Exhibits	8,000	29,495
Gallery and school renovations	12,419	17,942
General operations	<u>2,000</u>	<u>3,000</u>
	<u>\$ 117,105</u>	<u>153,815</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by the donors as follows as of August 31:

	<u>2012</u>	<u>2011</u>
Acquisitions and preservation	\$ 173	144
Development and membership	-	2,000
Education and outreach programs	20,528	17,574
Exhibits	25,895	600
Gallery and school renovations	9,123	57,649
General operations	<u>3,000</u>	<u>3,000</u>
	<u>\$ 58,719</u>	<u>80,967</u>

DANFORTH MUSEUM CORPORATION

Notes to Financial Statements

August 31, 2012 and 2011

G. NET ASSETS- BOARD DESIGNATED

During the year ended August 31, 2012, the Museum received an unrestricted contribution of approximately \$500,000 from a single donor. The Board of Trustees voted to restrict the use of these funds for capital and strategic projects.

H. RETIREMENT PLAN

The Museum maintains a retirement plan under Section 403(b) of the Internal Revenue Code. All employees who have completed one year of service are eligible to participate. The Museum makes a matching contribution of 1% of participating employees' compensation. Matching contributions for the years ended 2012 and 2011 were \$1,799 and \$2,096, respectively.

I. IN-KIND CONTRIBUTIONS

The Museum occupies space in a building owned by the Town of Framingham as a tenant at will. Rent, valued at \$340,000 annually, is provided by the Town as an in-kind contribution.

Additionally, during the years ended August 31, 2012 and 2011 the Museum accepted donations of art with an aggregated estimated value of \$158,000 and \$146,000, respectively. No value is reflected in the accompanying financial statements for the in-kind contributions of art.

J. RELATED PARTY TRANSACTIONS

The Museum received cash contributions from board members and affiliates of board members in the amount of approximately \$169,000 and \$104,600 during the fiscal years ended 2012 and 2011, respectively.

K. FUNDS HELD BY OTHERS

The Museum has an agreement with The Foundation for Metrowest (the "Foundation") for the Danforth Museum of Art Fund (the "Fund"). The Foundation holds, manages, invests, and reinvests for the Fund. It collects income and pays and disburses distributable income, at the discretion of the Fund's Board of Trustees. The principal of the Fund is available only for designated, restricted purposes. The value of the Fund was approximately \$24,000 and \$21,000 at August 31, 2012 and 2011, respectively. The Museum received income from the Fund of approximately \$1,100 for the year ended August 31, 2011. A similar amount is available as of August 31, 2012.

DANFORTH MUSEUM CORPORATION

Notes to Financial Statements

August 31, 2012 and 2011

L. CONCENTRATIONS, RISKS AND UNCERTAINTIES

1. Concentrations of credit risks – Financial statement instruments which potentially subject the Museum to concentrations of credit risk consist primarily of cash and accounts receivable. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers comprising the Museum's customer base.
2. Cash – On occasion the Museum's cash balances at financial banking institutions may exceed the federal insurance limits (FDIC). Management monitors the financial condition of its banking institutions, along with its cash balances, to keep this potential risk at a minimum.
3. Concentrations – Gifts and grants receivable include a \$20,000 institutional grant at August 31, 2012 and consisted of institutional grants of \$40,000 and \$10,000 and a gift from a member of the Board of Trustees of \$25,000 at August 31, 2011

M. SUBSEQUENT EVENTS

1. In January 2013, the Board of Selectmen of the Town of Framingham approved for vote by Town Meeting the sale of the Jonathan Maynard Building to the Museum for \$1,000,000 plus \$500,000 in services to town residents. The agreement, as proposed, calls for the Museum to make an initial payment of \$250,000 and the Town to provide a mortgage for \$750,000. In addition, the Town will have a 75 year right of first refusal in the event the Museum considers selling the property.
2. Management of the Museum has evaluated subsequent events through February 19, 2013, the date on which the financial statements were available to be issued.



E.L. MANN, PC
CERTIFIED PUBLIC ACCOUNTANTS

Accountants, Auditors, and Business Consultants

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

To the Board of Trustees
Danforth Museum Corporation
Framingham, Massachusetts

We have audited the financial statements of Danforth Museum Corporation as of and for the years ended August 31, 2012 and 2011 and our report thereon dated February 19, 2013, which expressed an unqualified opinion on those financial statements, appears on page one. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses are presented for 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.

E.L. Mann, PC

Framingham, Massachusetts

February 19, 2013

DANFORTH MUSEUM CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2012

	PROGRAM SERVICES					SUPPORTING SERVICES					Total
	Other Education	Museum School	Exhibitions	Museum Visitor Services	Retail Operations	Total Program Services	Fundraising	Management and General	Facilities	Total Supporting Services	
PERSONNEL											
Salaries	\$ 60,680	275,358	72,921	71,920	-	\$ 480,879	54,796	104,386	-	\$ 159,182	\$ 640,061
Payroll taxes and fringe benefits	16,011	41,238	15,670	8,426	-	81,345	10,468	24,594	-	35,062	116,407
TOTAL	<u>76,691</u>	<u>316,596</u>	<u>88,591</u>	<u>80,346</u>	<u>-</u>	<u>562,224</u>	<u>65,264</u>	<u>128,980</u>	<u>-</u>	<u>194,244</u>	<u>756,468</u>
SUPPLIES, MATERIALS AND OTHER											
Accounting	-	-	-	-	-	-	-	5,833	-	5,833	5,833
Advertising	-	259	-	14,178	-	14,437	-	790	-	790	15,227
Artist commissions	-	-	-	-	4,125	4,125	17,013	-	-	17,013	21,138
Art purchases	-	-	23,400	-	-	23,400	-	-	-	-	23,400
Conferences, conventions and meetings	-	-	826	214	-	1,040	75	3,895	-	3,970	5,010
Consultants and contractors	25	13,142	9,395	18,218	-	40,780	17,800	13,109	6,040	36,949	77,729
Depreciation	-	-	-	-	-	-	-	-	22,740	22,740	22,740
Dues and subscriptions	230	-	-	311	190	731	-	2,486	-	2,486	3,217
Equipment rental and maintenance	-	1,359	29	-	-	1,388	559	5,686	2,440	8,685	10,073
Hospitality	180	788	569	2,292	99	3,928	31,865	1,402	-	33,267	37,195
Insurance	-	-	-	-	-	-	-	2,472	10,351	12,823	12,823
Interest	-	-	-	-	-	-	-	1,060	-	1,060	1,060
Janitorial fees	-	-	-	160	-	160	540	-	37,545	38,085	38,245
Merchant and bank fees	-	-	-	-	-	-	45	26,024	-	26,069	26,069
Miscellaneous	-	-	-	-	-	-	-	688	-	688	688
Payroll processing fees	-	-	-	-	-	-	-	4,257	-	4,257	4,257
Postage and shipping	2,432	543	1,027	12,932	336	17,270	3,983	1,024	-	5,007	22,277
Printing	286	57	10,731	16,719	-	27,793	6,573	245	-	6,818	34,611
Rent in-kind	-	-	-	-	-	-	-	-	340,000	340,000	340,000
Repairs and maintenance	-	95	32	-	-	127	-	-	3,091	3,091	3,218
Supplies	669	29,402	8,057	422	4,301	42,851	1,091	-	4,520	5,611	48,462
Technology costs and services	-	567	-	4,669	-	5,236	-	23,539	-	23,539	28,775
Utilities	-	-	-	-	-	-	-	188	40,244	40,432	40,432
TOTAL	<u>3,822</u>	<u>46,212</u>	<u>54,066</u>	<u>70,115</u>	<u>9,051</u>	<u>183,266</u>	<u>79,544</u>	<u>92,698</u>	<u>466,971</u>	<u>639,213</u>	<u>822,479</u>
TOTAL BEFORE ALLOCATION	80,513	362,808	142,657	150,461	9,051	745,490	144,808	221,678	466,971	833,457	1,578,947
FACILITY ALLOCATION	<u>33,133</u>	<u>149,305</u>	<u>65,301</u>	<u>71,334</u>	<u>3,725</u>	<u>322,798</u>	<u>46,404</u>	<u>97,769</u>	<u>(466,971)</u>	<u>(322,798)</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 113,646</u>	<u>512,113</u>	<u>207,958</u>	<u>221,795</u>	<u>12,776</u>	<u>\$ 1,068,288</u>	<u>191,212</u>	<u>319,447</u>	<u>-</u>	<u>\$ 510,659</u>	<u>\$ 1,578,947</u>

The accompanying notes are an integral part of these schedules.

DANFORTH MUSEUM CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2011

	PROGRAM SERVICES					SUPPORTING SERVICES					Total
	Other Education	Museum School	Exhibitions	Museum Visitor Services	Retail Operations	Total Program Services	Fundraising	Management and General	Facilities	Total Supporting Services	
PERSONNEL											
Salaries	\$ 63,541	271,527	105,781	63,970	-	\$ 504,819	47,398	57,663	-	\$ 105,061	\$ 609,880
Payroll taxes and fringe benefits	15,888	39,383	16,828	10,984	-	83,083	7,448	32,794	-	40,242	123,325
TOTAL	<u>79,429</u>	<u>310,910</u>	<u>122,609</u>	<u>74,954</u>	<u>-</u>	<u>587,902</u>	<u>54,846</u>	<u>90,457</u>	<u>-</u>	<u>145,303</u>	<u>733,205</u>
SUPPLIES, MATERIALS AND OTHER											
Accounting	-	-	-	-	-	-	-	8,000	-	8,000	8,000
Advertising	-	-	-	6,473	556	7,029	-	-	-	-	7,029
Artist commissions	-	-	-	-	22,323	22,323	-	-	-	-	22,323
Art purchases	-	-	0	-	-	-	-	-	-	-	-
Conferences, conventions and meetings	716	39	275	170	-	1,200	1,516	1,391	-	2,907	4,107
Consultants and contractors	1,440	14,638	6,873	12,240	-	35,191	14,700	11,338	-	26,038	61,229
Depreciation	-	-	-	-	-	-	-	-	29,699	29,699	29,699
Dues and subscriptions	200	100	-	250	-	550	1,608	-	-	1,608	2,158
Equipment rental and maintenance	-	-	-	1,944	-	1,944	-	4,445	2,280	6,725	8,669
Hospitality	448	695	579	1,717	64	3,503	28,061	215	-	28,276	31,779
Insurance	336	1,435	559	338	-	2,668	250	1,365	9,699	11,314	13,982
Interest	-	-	-	-	-	-	-	1,640	-	1,640	1,640
Janitorial fees	-	-	-	-	-	-	-	-	30,232	30,232	30,232
Merchant and bank fees	-	-	-	-	-	-	-	23,714	-	23,714	23,714
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Payroll processing fees	-	-	-	-	-	-	-	4,295	-	4,295	4,295
Postage and shipping	4,601	578	1,204	8,102	43	14,528	4,916	1,623	-	6,539	21,067
Printing	2,417	332	695	19,454	642	23,540	7,056	1,049	-	8,105	31,645
Rent in-kind	-	-	-	-	-	-	-	-	340,000	340,000	340,000
Repairs and maintenance	-	-	-	-	-	-	-	-	6,541	6,541	6,541
Supplies	1,056	29,994	12,593	367	3,097	47,107	904	10,597	8,300	19,801	66,908
Technology costs and services	-	-	-	-	-	-	-	27,804	-	27,804	27,804
Utilities	-	-	-	-	-	-	-	-	60,209	60,209	60,209
TOTAL	<u>11,214</u>	<u>47,811</u>	<u>22,778</u>	<u>51,055</u>	<u>26,725</u>	<u>159,583</u>	<u>59,011</u>	<u>97,476</u>	<u>486,960</u>	<u>643,447</u>	<u>803,030</u>
TOTAL BEFORE ALLOCATION	<u>90,643</u>	<u>358,721</u>	<u>145,387</u>	<u>126,009</u>	<u>26,725</u>	<u>747,485</u>	<u>113,857</u>	<u>187,933</u>	<u>486,960</u>	<u>788,750</u>	<u>1,536,235</u>
FACILITY ALLOCATION	<u>42,068</u>	<u>167,382</u>	<u>67,473</u>	<u>57,577</u>	<u>12,402</u>	<u>346,902</u>	<u>52,840</u>	<u>87,218</u>	<u>(486,960)</u>	<u>(346,902)</u>	<u>-</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 132,711</u>	<u>526,103</u>	<u>212,860</u>	<u>183,586</u>	<u>39,127</u>	<u>\$ 1,094,387</u>	<u>166,697</u>	<u>275,151</u>	<u>-</u>	<u>\$ 441,848</u>	<u>\$ 1,536,235</u>

The accompanying notes are an integral part of these schedules.