

Return of Organization Exempt From Income Tax

2005

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning 07/01, 2005, and ending 06/30/2006

Form header section containing organization name (CRAFT ALLIANCE), address (6640 DELMAR BLVD, ST. LOUIS, MO 63130), and identification numbers (EIN 43-1022226, Telephone (314) 725-1177).

Form section G through K containing website (HTTP://WWW.CRAFTALLIANCE.ORG/), organization type (501(c)(3)), and filing status information.

Form section L: Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 1,248,697.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Main table with 21 rows detailing revenue (lines 1-12), expenses (lines 13-17), and net assets (lines 18-21). Includes a 'RECEIVED' stamp dated NOV 17 2006 from IRS-OSC, OGDEN, UT.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions Form 990 (2005)

Handwritten number 8

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)	22				
(cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>					
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc	25	81,250.	28,438.	52,812.	NONE
26 Other salaries and wages	26	417,416.	359,154.	22,700.	35,562.
27 Pension plan contributions	27	1,914.	NONE	1,914.	NONE
28 Other employee benefits	28				
29 Payroll taxes	29	40,867.	33,734.	5,853.	1,280.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	5,416.	6.	5,302.	108.
34 Telephone	34	6,309.	3,562.	1,811.	936.
35 Postage and shipping	35	22,636.	16,686.	822.	5,128.
36 Occupancy	36				
37 Equipment rental and maintenance	37	13,510.	5,403.	676.	7,431.
38 Printing and publications	38	22,986.	18,665.	2,046.	2,275.
39 Travel	39	4,415.	2,784.	45.	1,586.
40 Conferences, conventions, and meetings	40				
41 Interest	41	28,532.	7,219.	21,313.	NONE
42 Depreciation, depletion, etc (attach schedule)	42	65,317.	54,120.	11,197.	NONE
43 Other expenses not covered above (itemize)					
a <u>STMT 4</u>	43a	294,970.	229,812.	39,144.	26,014.
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g _____	43g				
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44	1,005,538.	759,583.	165,635.	80,320.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

<p>What is the organization's primary exempt purpose? ▶SEE STATEMENT 5</p> <p>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a <u>EDUCATION CENTER - PROVIDES CURRICULUM OF VISUAL ARTS CLASSES AND WORKSHOPS FOR CHILDREN AND ADULTS. APPROXIMATELY 7,750 CLIENTS SERVED.</u></p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>382,956.</p>
<p>b <u>GALLERY - EDUCATIONAL EXHIBITS EXPLORING THE USE OF VARIOUS MATERIALS IN CONTEMPORARY CRAFT AS WELL AS HISTORICAL ANTECEDENTS. APPROXIMATELY 38,000 SERVED.</u></p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>254,873.</p>
<p>c <u>OUTREACH - THIS PROGRAM TOUCHES MANY SCHOOL AGE INDIVIDUALS AS WELL AS INDIVIDUALS WITH VARIOUS CHALLENGES. COURSES AT CRAFT ALLIANCE ARE TAUGHT AT URBAN SCHOOLS AND ON SITE.</u></p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>121,754.</p>
<p>d _____</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	<p>759,583.</p>

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	100.	45	88.	
	46 Savings and temporary cash investments	277,945.	46	260,355.	
	47a Accounts receivable	47a 1,289.			
	b Less allowance for doubtful accounts	47b	47c 6,667.	1,289.	
	48a Pledges receivable	48a 121,069.			
	b Less allowance for doubtful accounts	48b	48c 191,234.	121,069.	
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less allowance for doubtful accounts	51b	51c		
	52 Inventories for sale or use		52 76,394.	81,179.	
	53 Prepaid expenses and deferred charges		53 14,313.	10,611.	
	54 Investments - securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments - land, buildings, and equipment basis	55a			
	b Less accumulated depreciation (attach schedule)	55b	55c		
	56 Investments - other (attach schedule)		56		
	57a Land, buildings, and equipment basis	57a 989,188.			
	b Less accumulated depreciation (attach schedule)	57b 700,702.	57c 320,549.	288,486.	
	58 Other assets (describe ► _____)		58		
59 Total assets (must equal line 74) Add lines 45 through 58		887,202.	59	763,077.	
Liabilities	60 Accounts payable and accrued expenses	87,235.	60	58,177.	
	61 Grants payable		61		
	62 Deferred revenue	93,551.	62	86,819.	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)	STMT. 7.	64b 398,625.	407,633.	
	65 Other liabilities (describe ► _____)		65		
66 Total liabilities. Add lines 60 through 65		579,411.	66	552,629.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	-56,535.	67	-85,199.	
	68 Temporarily restricted	342,201.	68	273,522.	
	69 Permanently restricted	22,125.	69	22,125.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		307,791.	73	210,448.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		887,202.	74	763,077.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	1,248,697.
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify) <u>SEE STATEMENT 8</u>	b4	340,502.	
	Add lines b1 through b4		b	340,502.
c	Subtract line b from line a		c	908,195.
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	908,195.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	1,346,040.
b	Amounts included on line a but not on Part I, line 17			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify) <u>SEE STATEMENT 9</u>	b4	340,502.	
	Add lines b1 through b4		b	340,502.
c	Subtract line b from line a		c	1,005,538.
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17) Add lines c and d		e	1,005,538.

Part V Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
<u>SEE STATEMENT 10</u>		37,917.	NONE	NONE

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

- 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 22
75b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)
75c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations
75d Does the organization have a written conflict of interest policy?

Table with 2 columns: Yes, No. Rows 75b, 75c, 75d with 'X' marks in the No column.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 shows -0- in columns B, C, D, and E.

Part VI Other Information (See the instructions.)

- 76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt
81a Enter direct and indirect political expenditures (See line 81 instructions)
81b Did the organization file Form 1120-POL for this year?

Table with 2 columns: Yes, No. Rows 76, 77, 78a, 78b, 79, 80a, 81b with 'X' marks in the No column.

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
82 b			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
84 b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86 a	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87 a	501(c)(12) orgs. Enter a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 NONE, section 4912 NONE, section 4955 NONE		
89 b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a	List the states with which a copy of this return is filed		
90 b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	59	
91 a	The books are in care of ROBERT LEWIS Telephone no 314-725-1177 Located at 6640 DELMAR BLVD. ST. LOUIS, MO ZIP + 4 63130		
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country		X
91 c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country		X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year		N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a PROGRAM TUITION					355,468.
b SPECIAL PROGRAMS					43,822.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					50,150.
95 Interest on savings and temporary cash investments			14	3,722.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	77,756.	
102 Gross profit or (loss) from sales of inventory					166,450.
103 Other revenue a					
b OTHER REVENUE			01	8,512.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				89,990.	615,890.
105 Total (add line 104, columns (B), (D), and (E))					705,880.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 14

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: Eileen K. McLaughlin Date: 11-13-'06

Type or print name and title: Eileen K. McLaughlin

Paid Preparer's Use Only

Preparer's signature: Robert R. Aselage Date: 11-2-06 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. W): P00325555

Firm's name (or yours if self-employed), address, and ZIP + 4: RUBINBROWN LLP EIN: 43-0765316

ONE NORTH BRENTWOOD Phone no: 314-290-3300

SAINT LOUIS, MO 63105

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information - (See separate instructions.)

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No 1545-0047

2005

Name of the organization

CRAFT ALLIANCE

Employer identification number

43-1022226

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 15				
Total number of other employees paid over \$50,000 . . ▶	1			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	NONE	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	NONE	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2005

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? STMT 16	X	
e	Transfer of any part of its income or assets?		X
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) STMT 17	X	
b	Do you have a section 403(b) annuity plan for your employees?	X	
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is (Please check only ONE applicable box.)
- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
 - 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
 - 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
 - 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
 - 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
 - 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
 - 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ► Type 1 Type 2 Type 3

Provide the following information about the supported organizations (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Table with columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add Amounts from column (e) for lines 18, 19, 22; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)); 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person"; b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000; c Add Amounts from column (e) for lines 15, 16, 17, 20, 21; d Add Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test; g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)); 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant.

Part V Private School Questionnaire (See page 7 of the instructions.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31	

32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		

33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		

34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -			
Not over \$500,000 20% of the amount on line 40	} 41		
Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000			
Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000			
Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000			
Over \$17,000,000 \$1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Table with columns for Yes/No and rows for transfers of cash, other assets, and other transactions (sales, purchases, rental, reimbursement, loans, services).

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [] Yes [X] No

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES
=====

DESCRIPTION -----	GROSS REVENUE -----	DIRECT EXPENSES -----	NET INCOME -----
STUDENT POTTERY SALE	17,624.		17,624.
GALA	121,005.	48,937.	72,068.
OTHER SPECIAL EVENTS	4,420.	3,995.	425.
TOTALS	143,049.	52,932.	90,117.

FORM 990, PART I - GROSS SALES LESS RETURNS AND ALLOWANCES
=====

DESCRIPTION -----	AMOUNT -----
INVENTORY SALES	441,659.
TOTAL	----- 441,659. =====

FORM 990, PART I - COST OF GOODS SOLD

DESCRIPTION	BEGINNING INVENTORY	PURCHASES	SALARIES AND WAGES	OTHER COSTS	MINUS: ENDING INVENTORY	COST OF GOODS SOLD
COSTS OF GOODS SOLD	76,394.			292,355.	81,179.	287,570.
TOTALS	76,394.			292,355.	81,179.	287,570.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
ADVERTISING	38,113.	37,917.	63.	133.
CLASS SUPPLIES	66,492.	65,296.	NONE	1,196.
MISCELLANEOUS	18,554.	8,191.	3,813.	6,550.
UTILITIES	24,526.	21,882.	2,644.	NONE
SPECIAL PROGRAMS & SHOWS	30,490.	29,721.	NONE	769.
INSURANCE	28,156.	19,167.	8,679.	310.
GIFT WRAP	1,850.	1,850.	NONE	NONE
CURATOR	7,943.	7,943.	NONE	NONE
REPAIRS AND MAINTENANCE	17,553.	12,515.	4,317.	721.
TAXES AND LICENSES	1,254.	677.	577.	NONE
PROFESSIONAL SERVICES	32,410.	NONE	16,718.	15,692.
BAD DEBTS	500.	NONE	NONE	500.
PROCESSING FEES	27,129.	24,653.	2,333.	143.
TOTALS	294,970.	229,812.	39,144.	26,014.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

CRAFT ALLIANCE OFFERS CLASSES AND WORKSHOPS DESIGNED FOR ALL AGES AND ABILITIES IN THE VISUAL ARTS MEDIA IN THE ST. LOUIS METROPOLITAN AREA. IN ADDITION, CRAFT ALLIANCE OFFERS VARIOUS OUTREACH EXPERIENCES, BOTH ON AND OFF SITE, TO VARIOUS GROUPS, SUCH AS PLACES FOR PEOPLE AND ITS OWN YOUNG ARTISTS PROGRAM. ADDITIONALLY, THE ORGANIZATION HAS A GALLERY WHICH FEATURES SIX EDUCATIONAL EXHIBITIONS EACH YEAR AND PROVIDES A YEAR-ROUND OUTLET FOR NORTH AMERICAN ARTISTS TO SELL THEIR WORK.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	ENDING BOOK VALUE
-----	-----
PREPAIDS	10,611.
TOTALS	----- 10,611. =====

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: ENTERPRISE BANK
 ORIGINAL AMOUNT: 275,000.
 INTEREST RATE: 5.900000
 DATE OF NOTE: 01/09/2004
 MATURITY DATE: 01/09/2007
 REPAYMENT TERMS: MONTHLY PAYMENTS OF \$1,967
 SECURITY PROVIDED: DEED OF TRUST ON REAL ESTATE AND ALL OTHER ASSETS
 PURPOSE OF LOAN: OPERATIONS

BEGINNING BALANCE DUE 264,560.
 ENDING BALANCE DUE 257,558.

LENDER: ENTERPRISE BANK
 ORIGINAL AMOUNT: 100,000.
 INTEREST RATE: 4.500000
 DATE OF NOTE: 01/09/2004
 MATURITY DATE: 10/08/2005
 REPAYMENT TERMS: MONTHLY PAYMENTS EQUAL TO THE INTEREST ACCRUED
 SECURITY PROVIDED: DEED OF TRUST ON REAL ESTATE
 PURPOSE OF LOAN: OPERATIONS

BEGINNING BALANCE DUE 59,065.
 ENDING BALANCE DUE 70,049.

LENDER: ENTERPRISE BANK
 ORIGINAL AMOUNT: 120,000.
 INTEREST RATE: 4.500000
 DATE OF NOTE: 01/09/2004
 MATURITY DATE: 10/08/2005
 REPAYMENT TERMS: MONTHLY PAYMENTS EQUAL TO THE INTEREST ACCRUED
 SECURITY PROVIDED: DEED OF TRUST ON REAL ESTATE
 PURPOSE OF LOAN: INVENTORY

BEGINNING BALANCE DUE 75,000.
 ENDING BALANCE DUE 80,026.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE 398,625.
 =====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 407,633.
 =====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION

AMOUNT

COST OF GOODS SOLD INCLUDED IN
EXPENSES ON FINANCIAL
STATEMENTS BUT NETTED AGAINST
SALES ON FORM 990

287,570.

DIRECT FUNDRAISING EXPENSES
INCLUDED IN EXPENSES ON
FINANCIAL STATEMENTS BUT
NETTED AGAINST SPECIAL EVENT
REVENUE ON FORM 990

52,932.

TOTAL

340,502.
=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION

AMOUNT

COST OF GOODS SOLD INCLUDED IN
EXPENSES ON FINANCIAL
STATEMENTS BUT NETTED AGAINST
SALES ON FORM 990

287,570.

DIRECT FUNDRAISING EXPENSES
INCLUDED IN EXPENSES ON
FINANCIAL STATEMENTS BUT
NETTED AGAINST SPECIAL EVENT
REVENUE ON FORM 990

52,932.

TOTAL

340,502.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
EILEEN KISTNER MCLAUGHLIN 6640 DELMAR BLVD. ST. LOUIS, MO 63130	EXECUTIVE DIRECTOR 40	37,917.	NONE	NONE
MICHAEL WEISBROD 6640 DELMAR BLVD ST. LOUIS, MO 63130	NOMINATING CHAIR	NONE	NONE	NONE
HELEN SEEHERMAN 6640 DELMAR BLVD ST. LOUIS, MO 63130	EXHIBITIONS CHAIR	NONE	NONE	NONE
AUSTIN TAO 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
LINDA HALL 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
NOEL LEICHT 6640 DELMAR BLVD ST. LOUIS, MO 63130	COMMUNICATIONS CHAIR	NONE	NONE	NONE
HARVARD MUHM 6640 DELMAR BLVD ST. LOUIS, MO 63130	EX OFFICIO	NONE	NONE	NONE
SHEILA BURKETT 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
PATRICIA RICH 6640 DELMAR BLVD ST. LOUIS, MO 63130	DEVELOPMENT CHAIR	NONE	NONE	NONE
HERBERT SMITH 6640 DELMAR BLVD ST. LOUIS, MO 63130	FACILITIES CHAIR	NONE	NONE	NONE
JOSEF GLYNIAS 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
JEANNE WOLFSON 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
MARVIN J. SCHNEIDER 6640 DELMAR BLVD ST. LOUIS, MO 63130	DEVELOPMENT CHAIR	NONE	NONE	NONE
ELAINE DILLER 6640 DELMAR BLVD ST. LOUIS, MO 63130	PROGRAMMING CHAIR	NONE	NONE	NONE
MARY P. HEGER 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
CARLIN SCANLAN 6640 DELMAR BLVD ST. LOUIS, MO 63130	SECRETARY	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
LEE RODGERS 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
RICHARD SADDLER 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
SARAH SMITH 6640 DELMAR BLVD ST. LOUIS, MO 63130	CHAIRMAN	NONE	NONE	NONE
DAVID OTT 6640 DELMAR BLVD ST. LOUIS, MO 63130	TREASURER	NONE	NONE	NONE
MELANIE DILEO 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
KAREN FOLK 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
MARYANN SRENCO 6640 DELMAR BLVD ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE
KIKU OBATA 6640 DELMAR BLVD. ST. LOUIS, MO 63130	BOARD MEMBER	NONE	NONE	NONE

CRAFT ALLIANCE

43-1022226

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----

GRAND TOTALS

37,917.

NONE

NONE

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
93A	TUITION FROM THE CURRICULUM OF VISUAL ARTS CLASSES AND WORKSHOPS FOR CHILDREN & ADULTS.
93B	AMOUNTS COLLECTED FOR SPECIFIC PROGRAM ACTIVITIES RELATING TO THE VISUAL ARTS.
94	DUES COLLECTED FROM MEMBERS IN EXCHANGE FOR THE VARIOUS BENEFITS OF MEMBERSHIP.
102	EXHIBITIONS ALLOW THE PUBLIC TO VIEW EXCEPTIONAL CONTEMPORARY CRAFTS BY LOCAL, NATIONAL AND INTERNATIONAL ARTISTS. LECTURES AND EDUCATIONAL ARTICLES ABOUT CRAFT PROCESSES ARE FREQUENTLY INCLUDED IN THE EXHIBITIONS. SALES OF ART WORK ENCOURAGE PERSONAL APPRECIATION & PARTICIPATION IN THE ARTS WHICH IS RELATED TO THE MISSION OF THE CRAFT ALLIANCE

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

CONTRIBUTIONS
TO EMPLOYEE
BENEFIT PLANS

TITLE AND TIME
DEVOTED TO POSITION

COMPENSATION

NAME AND ADDRESS

7,043.

53,500.

INTERIM DI
40

LUANNE RIMEL
6640 DELMAR BLVD
ST. LOUIS, MO 63130

7,043.

53,500.

TOTAL COMPENSATION

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====
SEE FORM 990, PART V.

SCHEDULE A, PART III - EXPLANATION FOR LINE 3A

=====
SCHOLARSHIPS ARE AWARDED FOR CLASSES AND WORKSHOPS BASED ON FINANCIAL
NEED.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2004	2003	2002	2001	TOTAL
FUNDRAISING INCOME	62,698.	73,557.	43,851.	54,950.	235,056.
TOTALS	62,698.	73,557.	43,851.	54,950.	235,056.

FEDERAL FOOTNOTES

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FORM 990 PART IV, 55B

LAND	35,462
BUILDINGS AND IMPROVEMENTS	642,998
EQUIPMENT	277,475
SUBTOTAL	<u>955,935</u>
LESS:ACCUMULATED DEPRECIATION	635,386
TOTAL	<u>320,549</u>

FEDERAL FOOTNOTES

=====

FORM 990, PART II, LINE 42

EQUIPMENT - 5 & 10 YR SL, VAR. ACQ. DATES 23,586

BUILDING AND IMPROVEMENTS - VAR. LIVES, SL, VAR. ACQ. DATES 50,009

73,595