

THE BREAD BAKERS GUILD OF AMERICA

FINANCIAL STATEMENTS
With Independent Accountant's Report

December 31, 2010

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members

The Bread Bakers Guild of America

Sonoma, California

I have reviewed the accompanying statement of financial position of **THE BREAD BAKERS GUILD OF AMERICA** (a California non-profit corporation) as of December 31, 2010, and the related statements of activities, functional expenses and cash flows, for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Robert L Withrow, CPA

Sonoma, California

August 15, 2011

THE BREAD BAKES GUILD OF AMERICA
STATEMENT OF FINANCIAL POSITION
December 31, 2010

ASSETS

CURRENT ASSETS

Cash	\$ 165,406
Accounts receivable	732
Prepaid expenses	<u>5,327</u>
Total Current Assets	171,465

FIXED ASSETS - At Cost

Furniture & fixtures	15,071
Accumulated depreciation	<u>(12,021)</u>
Net Fixed Assets	3,050

OTHER ASSETS - At Cost

Security Deposits	<u>990</u>
Net Other Assets	<u>990</u>

TOTAL ASSETS \$ 175,505

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,228
Prepaid fundraising pledges	13,333
Accrued expenses	8,575
Current portion - long-term debt	<u>0</u>
Total Current Liabilities	26,136

LONG-TERM DEBT

Total Liabilities	<u>0</u>
	26,136

NET ASSETS

Unrestricted net assets	<u>149,369</u>
Total Net Assets	<u>149,369</u>

TOTAL LIABILITIES AND NET ASSETS \$ 175,505

See Accompanying Notes and Independent Accountant's Report

THE BREAD BAKERS GUILD OF AMERICA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

UNRESTRICTED SUPPORT & REVENUE

Membership dues	\$ 124,665
Fundraising income net of \$780 direct fundraising costs	111,485
Donations	1,580
Program revenue – classes and regional events	64,580
Other revenue & support net of \$409 direct costs	7,382
Investment income	<u>875</u>
Total Unrestricted Support & Revenue	310,567

EXPENSES

Program services	168,399
Support services	<u>100,820</u>
Total Expenses	<u>269,219</u>

Increase in Unrestricted Net Assets 41,348

Net Assets at Beginning of Year 108,021

Net Assets at End of Year \$ 149,369

See Accompanying Notes and Independent Accountant's Report

THE BREAD BAKERS GUILD OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2010

EXPENSES	PROGRAM ACTIVITIES	SUPPORT ACTIVITIES	TOTAL
Salaries and wages	\$ 64,583	\$ 42,098	\$ 106,681
Employee workers comp insurance	1,152	747	1,899
Employee benefits	4,436	2,633	7,069
Payroll taxes	5,653	3,685	9,338
Rent and utilities	7,970	5,230	13,200
Equipment rental	0	757	757
Telephone/ISP	3,006	1,972	4,978
IT Support and supplies	0	1,904	1,904
Postage/Mailing services	4,131	133	4,264
Office supplies	63	3,111	3,174
Ingredients and small wares	2,107	0	2,107
Graphic design	13,547	2,822	16,369
Webmastering	0	5,060	5,060
Website development	0	5,650	5,650
Insurance	1,600	1,050	2,650
Depreciation	0	1,809	1,809
Printing	13,431	659	14,090
Trade show costs	6,853	0	6,853
Accounting and bookkeeping services	0	8,653	8,653
Advertising and marketing	0	1,000	1,000
Board meeting costs	0	2,860	2,860
Repairs and maintenance	376	246	622
Bank and credit card charges	0	5,355	5,355
Travel	32,441	1,497	33,938
Meals and entertainment	4,196	399	4,595
Taxes and licenses	412	227	639
Event sponsorships	2,000	1,000	3,000
Miscellaneous expenses	<u>442</u>	<u>263</u>	<u>705</u>
 Total Expenses	 <u>\$ 168,399</u>	 <u>\$ 100,820</u>	 <u>\$ 269,219</u>

See Accompanying Notes and Independent Accountant's Report

THE BREAD BAKERS GUILD OF AMERICA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

CASH FLOW FROM OPERATING ACTIVITIES	
Increase in Net Assets for the Period	\$ 41,348
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	1,809
(Increase) Decrease in operating assets:	
Accounts receivable	1,668
Prepaid expenses and other current assets	(4,327)
Increase (Decrease) in operating liabilities:	
Accounts payable	3,953
Accrued liabilities	<u>499</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	44,950
 CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of property and equipment	(0)
Purchases-refund of other assets	<u>585</u>
NET CASH (USED BY) INVESTING ACTIVITIES	585
 CASH FLOWS FROM FINANCING ACTIVITIES	
New Borrowings:	
Short-term	0
Long-term	0
Debt reduction:	
Short-term	(0)
Long-term	<u>(0)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>0</u>
 NET INCREASE IN CASH	 45,535
CASH AT BEGINNING OF YEAR	<u>119,871</u>
 CASH AT END OF YEAR	 <u><u>\$ 165,406</u></u>
 <u>SUPPLEMENTAL DISCLOSURE:</u>	
Interest paid	<u><u>\$ 0</u></u>

See Accompanying Notes and Independent Accountant's Report

THE BREAD BAKERS GUILD OF AMERICA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE BREAD BAKERS GUILD OF AMERICA, a non-profit corporation, is organized under the laws of the Commonwealth of Pennsylvania (and now qualified to operate in California) for the purposes of providing educational opportunities for development of advanced skills and knowledge in artisan baking taught by recognized authorities and experienced teachers from around the world. The Bread Bakers Guild of America is exempt under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(2).

The books and records of THE BREAD BAKERS GUILD OF AMERICA are maintained on and these financial statements have been prepared using the accrual basis of accounting.

Purchased property and/or equipment is carried at cost. Donations of property and/or equipment are recorded as contributions at their estimated fair market value. It is the policy of the Organization to capitalize property and equipment with a cost of \$1,000 or more. For financial and tax reporting purposes, the straight line method of depreciation has been applied to equipment using estimated lives ranging from 5 to 7 years.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Bread Bakers Guild of America has no temporarily or permanently restricted net assets.

The Organization maintains its cash balances primarily in one financial institution located in Sonoma, California. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2010, the Organization had no uninsured cash balances. The Organization has no investments that would be considered "cash equivalents", which are investments with maturities of six months or less.

Accounts receivable are stated at unpaid balances. The Organization uses the direct write-off method to recognize a bad debt expense only when a specific account is determined to be uncollectible. Ordinarily, the direct write-off method is not considered in accordance with generally accepted accounting principles; however, uncollectible amounts are not material in amount.

Contributions may sometimes be restricted by a donor. Temporarily restricted donations are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contributions are received. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization engages in a "three-year fundraising" plan where donors give a donation to cover a period of three years. The unrecognized portion of "three-year fundraising" contributions, are recorded as a liability until the year in which the donation applies. These amounts have not been recorded as temporarily restricted net assets, but will be unrestricted net assets when recorded as revenue. The Organization has no permanently restricted net assets.

See Independent Accountant's Review Report

THE BREAD BAKERS GUILD OF AMERICA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization has accounted for "accrued compensated absences" and such provision appears as a liability on the statement of financial position and the estimated expense has been included with other employee benefits paid by the organization.

The value of contributed services, meeting the requirements for recognition in the financial statements, has not been recorded. The Organization does receive such services from professional teachers, etc., but does not yet have the mechanisms in place to properly record and value those services. In addition, many individuals volunteer their time and perform a variety of tasks that benefit the organization in fundraising and program services, but these services do not necessarily meet the criteria for recognition as contributed services, and have not been recorded.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Organization has no long-term debt.

NOTE B - FIXED ASSETS

Fixed assets at December 31 consisted of the following:

	ASSETS			ACCUMULATED DEPRECIATION				
	Balance 12/31/09	Additions	Disposals	Balance 12/31/10	Balance 12/31/09	Additions	Disposals	Balance 12/31/10
Furniture & Fixtures	29,032	-0-	(13,961)	15,071	24,173	1,809	(13,961)	12,021
TOTAL	<u>29,032</u>	<u>-0-</u>	<u>(13,961)</u>	<u>15,071</u>	<u>24,173</u>	<u>1,809</u>	<u>(13,961)</u>	<u>12,021</u>

NOTE C - PENSION PLAN

The Company does not maintain any retirement plan for its employees.

NOTE C - OPERATING LEASES

At December 31, 2010, the company was a party to two operating leases on equipment and facilities (the lease on the facility expired on June 30, 2010 and per the terms of the lease became a month to month lease). The total expense in 2010 was \$12,240 included in Rent and Utilities and \$757 included in Equipment Rental. The future minimum lease/rental payments total \$1,388 broken down as follows:

2011	694
2012	694
2013	-0-

Total	<u>1,388</u>

See Independent Accountant's Review Report