



# HEARD-CRAIG

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CENTER *for the* ARTS

**Grant Application**  
Fiscal Year 2016

**MCKINNEY COMMUNITY DEVELOPMENT CORPORATION**



Heard-Craig Center for the Arts  
205 W Hunt Street  
McKinney, TX 75069  
972-569-6909  
[www.heardcraig.org](http://www.heardcraig.org)  
[heard-craig.ticketleap.com](http://heard-craig.ticketleap.com)

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**Please indicate the type of funding you are requesting:**

**XX Project Grant**

Quality of Life projects that are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines) and that advance the mission of MCDC.

**Promotional or Community Event Grant (maximum \$15,000)**

Initiatives, activities and events that promote the City of McKinney for the purpose of developing new or expanded business opportunities and/or tourism – and enhance quality of life for McKinney residents.

**Promotional and Community Event Grants:**

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 4, 2016	January 2016	February 2016
Cycle II: June 30 2016	July 2016	August 2016

**Project Grants:**

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 29, 2016	February 2016	March 2016
Cycle II: April 29, 2016	May 2016	June 2016
Cycle III: July 29, 2016	August 2016	September 2016

**APPLICATION**

**ORGANIZATION INFORMATION**

Name: Heard-Craig Women’s Club Trust (dba: Heard-Craig Center for the Arts)

Federal Tax I.D.: 75-136-2043

Incorporation Date: August 24, 1971

Mailing Address: 205 W. Hunt Street

City McKinney

ST: TX

Zip: 75069

Phone: 972-569-6909

Fax: 972-542-5092

Email: [executivedirector@heardcraig.org](mailto:executivedirector@heardcraig.org)

Website: [www.heardcraig.org](http://www.heardcraig.org)

**Check One:**

- Nonprofit – 501(c) **Attached is a copy of IRS Determination Letter**
- Governmental entity
- For profit corporation
- Other

Professional affiliations and organizations to which your organization belongs: McKinney Chamber of Commerce; Center for Non-Profit Management; Texas Association of Museums; American Association for State and Local History; Center for the Advancement of the Study of Early Texas Art; Texas Art Collectors Organization; Texas Lakes Trail; Society for Human Resource Management; Collin County Historical Commission, McKinney Artists Studio Tour, and also affiliated with over 15 other Clubs that meet in the Heard-Craig regularly (e.g. the OWL Club, The McKinney Art Club, etc.)

**REPRESENTATIVE COMPLETING APPLICATION:**

Name: Jody Lauden, Karen Zupanic, and Nate Pike

Title: Board Officers and Executive Staff

Mailing Address: 205 W Hunt Street

City: McKinney

ST: TX

Zip: 75069

Phone: 972-569-6909

Fax: 972-542-5092

Email: [executivedirector@heardcraig.org](mailto:executivedirector@heardcraig.org)

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Mr. Nate Pike

Title: Treasurer, Heard-Craig Board of Trustees

Mailing Address: 205 W Hunt Street

City: McKinney

ST: TX

Zip: 75069

Phone: 972-742-7668

Fax: 972-542-5092

Email: [npiketx@gmail.com](mailto:npiketx@gmail.com)

**FUNDING**

Total amount requested: \$43,500 (75%)

Matching Funds Available: \$14,500 (25%)

**Project:**

Start Date: October 1, 2016

Completion Date: December 30, 2016

**BOARD OF DIRECTORS** *(may be included as an attachment)***J. Lauden, President****M. Davis, Vice President****N. Pike, Treasurer****D. Sorrells, Secretary****J. Taylor, Board Member****S. Tyson, Board Member****M. Williams, Board Member****LEADERSHIP STAFF** *(may be included as an attachment)***K. Zupanic, Executive (full-time)****H. Leshowitz, Events (part-time)****D. Janssen, Bookkeeper (part-time)****Event, Maintenance and Garden staff are contract and/or volunteer.****I. Applying Organization**

The **Heard-Craig Center for the Arts** (Heard-Craig Women's Club Trust) became a non-profit organization on August 24, 1971. In 2016, the organization will celebrate its 45<sup>th</sup> year of providing facilities and programming to the McKinney community (public organizations, private organizations, clubs, and the general public).

The Heard-Craig Center's mission is threefold: to preserve the Heard-Craig properties and collections, to promote the arts through exhibits and educational programs, and to extend meeting privileges to historic/educational clubs. By following the mission and being a good steward of the properties, the Heard-Craig Board and Staff have been instrumental in creating an organization that has sustained its vibrancy through good and bad economic times. For 45 years, it has successfully branded itself as a downtown anchor with whom other organizations want to partner.

Currently, there are 18 groups that meet regularly at one of the Heard-Craig facilities. The groups are comprised of approximately 1000 members including both men and women. **The club groups are not charged a rental fee (per the Will and Trust of Kathryn Heard-Craig)**. Because the clubs are not charged rental fees, most of the groups provide a nominal thank-you contribution (annually) to the Heard-Craig in May (the thank you contributions ranges from \$200-\$600, bringing the total annual club contributions between \$3000 and \$4000). The Clubs are long-standing McKinney organizations

such as The Art Club of McKinney, the McKinney Garden Club, the Porcelain Guild of North Texas, The Owl Club, and the Mockingbird Poetry Society, etc.

The Heard-Craig Center is comprised of three venues - - The Main House, the Gardens, and the Carriage House. Prior to February, 2015, the Heard-Craig Auditorium was also part of the organization. In February 2015, the Board of Trustees completed the sale of the Auditorium to neighboring First United Methodist Church. This allowed the Church to expand its presence and allowed the Heard-Craig to focus on the historical portions of the 7,000 square foot Main property (built in 1900) as well as the Gardens and the Carriage House. The home was designated as a Recorded Texas Historic Landmark in 1975 and was listed on the National Register of Historic Places in 1985.

All three of the current venues (the historic home, the garden, and the carriage house) host a regular variety of productions, concerts, weddings, receptions, dance programs, meetings, art shows, and exhibits. Each month, the house and garden provide the backdrop for approximately 2-4 photo shoots, including the recent *Sound of Music* photo shoot done by the McKinney Youth Theater. Although there are signs on the property requesting payment for photo shoots, many people assume that the Gardens are public, so payment is irregular.

We operate the Heard-Craig facilities with the ideals of honesty, integrity, transparency, and generosity. We run an extremely lean organization with minimal salaries, no health care, no short or long term disability, no 401K, or other benefits. We depend on volunteers to help with the organization, to help with events and to help maintain the beautiful gardens which are used by the general public daily (walks, reading, picnics, photos, etc.)

The Board consists of seven (7) Trustees, and, per the trust agreement, the Board is responsible for oversight of the club trust and its provisions. In November, 2015, the Board of Trustees brought on a new chief executive to manage the operations of the House, the Gardens, and the Carriage House so that the Heard-Craig can remain competitive in the ever-expanding McKinney marketplace. The Board meets monthly and in August, the Board, Executive Leadership, and all of the approved clubs come together for a joint meeting to clarify preservation and management expectations. Acting together, as a community of organizations, to preserve the properties has always been the brand, the character, and the hallmark of the Heard-Craig Center.

## II. PROJECT GRANT:

- **MCDC and Heard-Craig partnership background:** The Heard-Craig Center for the Arts has approached the MCDC every two years to assist with funding for major projects that either 1) preserve the historically significant McKinney property or 2) provide an upgrade or value to the property so that it can be shared with the ever-increasing McKinney public. Twenty thirteen (2013) was the last time that the Heard-Craig approached the MCDC for funding. In 2013, the MCDC granted funds to the Heard-Craig for a Fire Suppression System which met the criteria set above, namely, helping to preserve the property and its contents. The grant provided \$119,582 towards a total project cost of \$124,981.14, and we sincerely thank the MCDC for its trust in our organization to be a good steward of the awarded funds. Per the MCDC agreement, the post-implementation document was provided and we sincerely hope that this 2016 grant will be treated with the same trust and consideration.
- **2016 Request:** We have assessed the goals and objectives of the McKinney Community Development Corporation and have decided to approach the MCDC for partnership assistance in our current preservation strategy so that the Heard-Craig Center remains "unique" to the City, so that it

continues to contribute as a showpiece, and so that it continues to draw visitors and revenue to the downtown area (over 30,000 people visit the Heard-Craig annually for a variety of events, listed below\*).

- Preserving collections is the number one challenge for any museum (security systems, fire suppression, air quality, temperature, humidity, dust, odors, pests, etc.). HVAC units for museums are highly complex but are important to keeping sensitive artifacts in pristine condition. High concentrations of CO2 and other gases can be harmful to collections. Since the Heard-Craig experienced a CO2 leak in February of this year which resulted in the shutdown of the southeast furnace (which has remained shut off and not repaired), the Board and organization believed it was time to visit the climate conditions of the historic facilities. The Main House has 4 HVAC units and the Carriage House has 2 HVAC units. Our 2016 grant request applies to the 4 Main House units and not to the 2 Carriage House units.
- **Overview of Historical funding practices:** In the past, the Heard-Craig organization has voted on incremental preservation expenditures (e.g. one replacement part for an air conditioner). However, since many of the current HVAC units are between 10-20 years old, the Board re-evaluated its past incremental approach and voted on a more holistic approach that replaces all of the main house systems at once (replacement-focused) while simultaneously upgrading to a museum-quality, auto-adjustable system (for temperature as well as for humidity, light, and pollution control) (upgrade-focused).
- The benefits of 4 museum-quality Main House systems will be in overall preservation value, lowered energy costs (due to auto-adjusting), and most importantly, objectively monitored HVAC performance. Since the Heard-Craig's goal is for reliable, museum-quality systems, the time between failures will be lengthened. Research has identified HVAC as having the single most significant potential to create a maximum preservation environment because those type of units have the bandwidth to modify humidity, temperature, and keep the environment conducive to all of the collections currently in the house (our own Kathryn Heard-Craig collection plus, on loan here in the house: clothing and items from the Bessie Heard family (Heard Sanctuary and Wildlife Center), the Collin County Historical Society (roll top desk), the Brazos Heritage Center (40 articles of Nina Heard Astin clothing), and other collections that are under Heard-Craig stewardship and protection.
- National Air Filtration Association research states that "properly designed HVAC systems tailored specifically to the special challenges that museums and libraries face push most HVAC engineers beyond the envelop of their normal experience". This would occur for the Heard-Craig because of the broad scope of its collections (e.g. art, furniture, clothing, artifact, paper, porcelain, paintings, etc.) This is why the Heritage Preservation Services group of the U.S. Department of the Interior recommends focusing on HVAC installation processes over the specific carrier/brand. The installation team, their experience, and their ability to work with preservation guidelines, historic buildings, mechanical equipment, building codes, and maximum cost factors are all important considerations that are taken into account for the acquisition of new units.
- Under normal circumstances, the Heard-Craig would request the full amount of the 4 museum-quality HVAC units (\$58,000). However, with the sale of the Heard-Craig Auditorium last year, we have a short-term window in which we can provide some funds to off-set the preservation replacement costs. That said, the Board is requesting to partner with the MCDC so that the MCDC approves \$43,500 to cover three museum quality HVAC units and the Heard-Craig Board will approve \$14,500 to cover the fourth museum quality HVAC unit. The Heard-Craig will fund it

through some reserves (from the auditorium), from its Heard-Craig memberships, from event and exhibit revenue, from its Donor and Patron campaigns, and through its fundraisers.

- The Table below provides a snapshot of the planned HVAC preservation units and costs:

Main House Units (Heating & A/C)	Est.Age	First half 2016 Challenges			MCDC /H-C Partnership Preservation Cost
HVAC UNIT-DOWNSTAIRS NW	18 yrs				14,500
HVAC UNIT-DOWNSTAIRS SE	18 yrs	Shut down for CO2 (02/16)	A/C Frozen - Broken Motor (6/16)	Blower Motor replaced 7/16	14,500
HVAC UNIT-UPSTAIRS NW	10 years				14,500
HVAC UNIT-UPSTAIRS SE	18 yrs				14,500
<b>TOTAL:</b>					<b>\$58,000*</b>

\*\$58,000 Includes 4, 5-ton pieces of furnace equipment, 4 Evaporators, 4 Thermostats, 4 Condensers, 2 humidifiers, and labor. Equipment will be high efficiency heating/cooling with the humidifiers in place to preserve the wood floors. Filtering systems are included and the thermostats will be wifi capable. State 5 equipment is the most energy efficient which allows the outdoor unit to operate at only 20% of its designed capacity. Units will make their own adjustments (inside and outside) as conditions changes. The units are rated for 16.5 SEER when running at maximum capacity and around 20 at the lowest. There is a 20 year heat exchanger part warranty and a 5 year warranty on all other parts. One year warranty on labor.

NOTE: Residential HVAC units come with 15-20 year warranties but not Commercial. Commercial units come with a 1-5 year warranty.

- As noted in the Table, all of the current preservation units have been in place for more than 10 years. HVAC Experts will confirm that although residential warranties may cover 15-20 years, a commercial warranty only covers about 5 years. That said, The Heard-Craig Center for the Arts has lovingly maintained the current units for as long as possible. During the first half of 2016, there were 2 significant HVAC issues (CO2 hazard and frozen A/C) which were addressed individually due to weather conditions at the time of the issue. The goal of this project grant proposal is to treat preservation wholistically so that the time between issues is minimized, so that preservation of all collections is seamless, and so that the Heard-Craig can continue to serve the public and visitors who come to McKinney.
- Because the units in the Main House are older units, there is not a digital control for temperature and humidity. The thermostats on the wall are manual and do not adjust for humidity. The new units (planned for in this grant) will have digital controls that indicate the humidity ratings (which should be in the 40-60% range) and adjust for a constant 68-70 degree internal temperature.
- In order to prepare for this grant, several bids were secured from local HVAC companies. Both companies were provided with line item needs so that there would be an apples-to-apples comparison of units, costs, warranties, and labor. The information shown in the table, above, reflects a bid amount for new museum-quality units. Both companies have been very gracious about holding their bids static until we receive information on the result of this grant. For that we are very grateful.

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• **\*Events (sampling of events at the Heard-Craig Center for the Arts)**

- i. Texas Regional Art Symposium
- ii. Art History Brown Bag series (partnership with Arts and Music Guild)
- iii. Music in the Garden
- iv. Tea & Conversation and Granddaughters Tea
- v. Colling County Historical Commission venue
- vi. Weddings and Receptions (numerous)
- vii. McKinney Visitors and Convention Bureau venue
- viii. FRESH LOOK: Woodworking Extravaganza (Partnership with local woodworkers)
- ix. Patterns – Teacup Exhibit (partnership with local painters and community citizens)
- x. Art Meets Floral (partnership with local florists)
- xi. Victorian Secrets (partnership with Chestnut Square)
- xii. Forever Stylish Exhibit (partnership with downtown Bay Willow Designs)
- xiii. Carolyn Skei Collage workshop (partnership with Dallas Fiber Arts contact)
- xiv. Artistry on Porcelain, upcoming conference (partnership with Porcelain Guild of North Texas)

**Project Grants – please complete the section below:**

- |                             |   |  |
|-----------------------------|---|--|
| • An expansion/improvement? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| • A replacement/repair?     | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| • A multi-phase project?    | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| • A new project?            | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Has a feasibility study or market analysis been completed for this proposed project?**

*The feasibility of this project was conducted by D. Burnside and staff in March, 2016, concluding that 4 museum-quality units can be secured, installed, monitored, and operated with no issues or challenges. Mr. Burnside (and others from whom we've received project quotes) can be available for comment or to provide in-depth information if needed.*

**Provide specific information to illustrate how this Project aligns with one or more of the goals and strategies adopted by McKinney City Council and McKinney Community Development:**

- The Heard-Craig Center for the Arts attracts resident and visitor participation because of its location, its beautiful gardens, and its wedding/reception venue capabilities (all important from the Visitor's Bureau's perspective).
- We annually purchase a FULL-PAGE advertisement in Texas Tea and Travel magazine. The advertisement showcases the Heard-Craig Main House photograph and invites people from all over the State to register for a private Tea in our Main House. This highlights McKinney as a place to enjoy a day trip (via bus). We do tours for busloads of visitors – several per Quarter. Many of our visitors ask for recommendations for lunch and we routinely provide downtown McKinney recommendations of places to go (to keep revenue local).
- This particular project is aligned with sustainable growth, particularly for the Heard-Craig and the downtown area since the MDCDC funds will impact its ability to hold regular events for 18 groups and to hold events (e.g. weddings, receptions, exhibits) for the public. The benefits are also for downtown revenue generation (lunches and shopping that occur after private tours of the house and from private group tours).



**Indicate which goal(s) listed above will be supported by the proposed Project:**

All of the above will be supported by the project, but most specifically, the revenue goal.

- **Contribute to quality of life, business development and growth of McKinney sales tax revenue**
- **Highlight and promote McKinney as a unique destination for residents and visitors alike**

**Has a request for funding, for this Project/Promotion/Community Event, been submitted to MCDC in the past?**

Yes                      **XX** No

**III. Financial**

- The Heard-Craig’s financial status changed markedly during 2015 – the organization lost 2 Executive Directors and sold its Auditorium to the First United Methodist Church. Both of these activities caused volatility in revenue and expenses. Prior to 2015, the Kathryn Heard-Craig trust income comprised under 50% of the total revenue stream. Last year, the trust income comprised over 80% of the total revenue stream. That shift, along with recent market losses (reserves) have required the new staff to accelerate its fundraising, events, exhibits, and marketing efforts. That said, a \$58,000 HVAC cost would take a considerable amount out of the organization’s reserves. The Heard-Craig Board is very agreeable to partnering on the costs so that 4 new units can be purchased all at once.
- **The Heard-Craig’s 2016 budget is attached along with 2 years of audited financial statements.**

**What is the estimated total cost for this Project?**

The total QUOTED cost of the project (units, labor and warranties) is \$58,000 (EQUIPMENT AND LABOR INCLUDED).

**(Include a budget for the proposed Project/Promotion/Community Event.)**

**What percentage of Project funding will be provided by the Applicant? 25%**

**Are Matching Funds available?**    **xxx** Yes                       No

Cash \$14,500	Source Reserves	% of Total 25%
In-Kind \$	Source	% of Total

**Are other sources of funding available?**

There are several alternatives for the Heard-Craig should MCDC funding not be awarded. The Heard-Craig is partnering with the Arts and Music Guild to produce a major Gala fundraiser for October. The proceeds from the fundraiser are slated for preservation (HVAC). The organization conducts an annual

Membership Drive (January-February) and a Donor Drive (March-April). The Heard-Craig is also amenable to using some of the proceeds from the sale of the Auditorium (February, 2015) to provide for long-term preservation efforts.

**Have any other federal, state, or municipal entities or foundations been approached for funding?** Several other organizations have been approached for Heard-Craig funding but not for this project. Other organizations that have been approached for other types of funding have been: the Texas Historical Commission, the Collin County Historical Commission, the Nina Heard Astin Foundation, the City's Parks and Open Spaces, McKinney Garden Club, corporations (e.g. Encore Wire for in-kind contributions), GOFUNDME, and the North Texas Giving Day.

#### **IV. Marketing and Outreach**

The Heard-Craig Center employs multiple strategies to provide assistance for this project:

In addition to the MCDC request, the Heard-Craig Center for the Arts is partnering with the Arts and Music Guild for a large fundraising gala slated to provide additional money toward preservation. The gala, entitled "Passionate Hearts for McKinney Arts" has a large financial target so that both McKinney arts organizations benefit. Additionally, the Heard-Craig Center posts event information regularly on social media (Facebook, Twitter, Ticketleap, Bubblelife), creates a Quarterly Newsletter with event listings, sends event messages monthly to over 600 customers/visitors, provides free Tour tickets to our McKinney partner businesses (e.g. florists), provides discounts for early registrations in events, buys local artisan's work for our gift shop, and helps the local art organizations increase their traffic (as well as ours) by promoting both of our efforts jointly.

We have just confirmed some joint advertising (between the Heard-Craig, Chestnut Square, and the McKinney Visitors and Convention Bureau) in one of the Texas magazines, and we've written several articles for Texas Image, AAA magazine, McKinney Image, and the Chamber's on-line magazine. The Heard-Craig is a proud Chamber member (it's Director is a former Chamber Board Member) and the Heard-Craig staff participates in the LINKS meetings and other community events (Farmer's Market attendance, the MPAC downtown, enjoying local restaurants, etc.). The Heard-Craig participated in the Collin McKinney celebration (providing tours) and for the second year, will provide (at no cost) both facilities to the art community for the McKinney Artist's Studio Tour silent auction. The Heard-Craig posts volunteer positions on Volunteer McKinney website, has been the recipient of several volunteers from the postings, and has been lucky enough to receive in-kind services from the LOWES HOME IMPROVEMENT corporation (power washing, painting, and repairs). The Heard-Craig reaches large groups in surrounding Collin County areas and the results have been seen in the booking of private events.

In the last six months, we have received regular feedback that our Heard-Craig partnership and relationship efforts (with other museums, with other wedding venues, and with other McKinney organizations) are very refreshing and very visible in the community. We have worked well with the McKinney Community Development Corporation for over 10 years and look forward to a continuing relationship.

#### **V. Metrics to Evaluate Success**

We will evaluate the success of the installations in several ways:

- The auto-adjustment feature will be able to create a constant temperature (70 degrees) and humidity level (between 40-60%).
- The HVAC will have at least, at minimum, no failures for five years (excluding labor which only has a one-year warranty).

- The Heard-Craig will be able to increase its exhibit events by 20% with no interruptions (from equipment issues or equipment/electrical downtime).
- The continuous working nature of the equipment will allow us to continue events in the Main House without any (zero) Main House HVAC closings for at least 5 years (warranty).
- As requested, a post-event project report will be provided by the report submission date to the MCDC Board, summarizing the installation and the metrics.


**Acknowledgements**

***If funding is approved by the MCDC board of directors, Applicant will assure:***

- The Project for which financial assistance is sought will be administered by or under the supervision of the applying organization; **YES**
- All funds awarded will be used exclusively for the purpose described in this application; **YES**
- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project. Specifics to be agreed upon by applicant and MCDC and included in an executed performance agreement; **YES**
- Organization’s officials who have signed the application are authorized by the organization to submit the application; **YES**
- Applicant will comply with the MCDC Grant Guidelines in executing the Project for which funds were received. **YES**
- A final report detailing the success of the Project, as measured against identified short-term metrics (excluding the 5-year year metrics because those metrics fall outside of the MCDC 30 day submission window), will be provided to MCDC no later than 30 days following the completion of the Project. **YES**
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project with submission of invoices/receipts to MCDC. The final 20% may be paid following MCDC’s receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project **YES**.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation. **YES**

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Heard-Craig Board President**



Signature

J. Lauden

Printed Name

July 27, 2016

**Heard-Craig Board Treasurer**

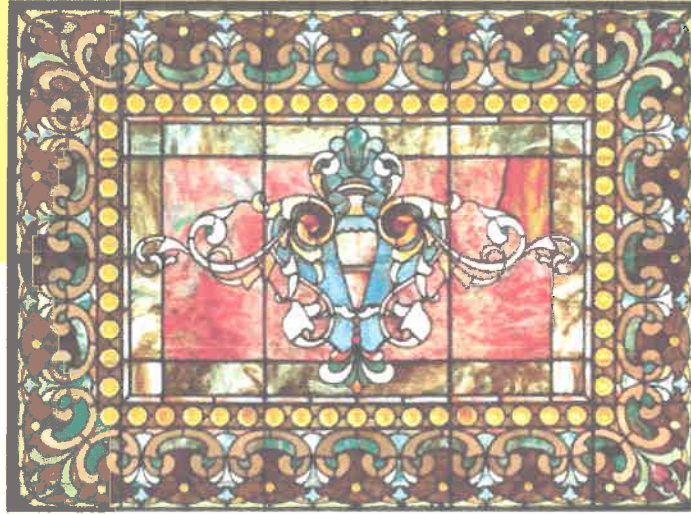


Signature

N. Pike

Printed Name

July 27, 2016



# HEARD-CRAIG

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CENTER *for the* ARTS

## Attachments

- 1) IRS Letter of Determination
- 2) Project Timeline
- 3) Fundraising Events photos
- 4) 2014 P&L
- 5) 2015 P&L
- 6) 2016 Budget

Thank you for your consideration

Address any reply to: 1600 Pat<sup>h</sup>son St., Dallas, Tex. 75201

**Department of the Treasury**

**District Director**

**Internal Revenue Service**

Date:

AUG 24 1971

In reply refer to:

A:EO:RT:309

DAL-EO-71-341

▷ **The Heard-Craig Women's Club Trust**  
205 West Hunt  
McKinney, Texas 75069



**Accounting Period: December 31**

**Gentlemen:**

Based on information supplied, we have concluded that your organization is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. This determination assumes the organization's operations will be as stated in the exemption application.

We have further concluded that the organization is a private foundation as defined in section 509(a) of the Code. In this letter we are not determining whether the organization is a private operating foundation as defined in section 4942(j)(3).

Any changes in your character or purposes must be reported immediately to us for consideration of their effect upon your exempt status. You must also report any change in your name or address.

You are required to file an annual information return, Form 990, by the fifteenth day of the fifth month after the end of your annual accounting period.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities is unrelated trade or business as defined in section 513 of the Code.

Contributions made to you are deductible by donors as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to or for your use are deductible for Federal estate and gift tax purposes under the provisions of section 2055, 2106 and 2522 of the Code.

You are not liable for Federal Unemployment Taxes. You are liable for social security taxes only if you have filed waiver of exemption certificates as provided in the Federal Insurance Contributions Act.

Sincerely yours,

Ellis Campbell, Jr. (TSE)

Ellis Campbell, Jr.  
District Director

John L. McCraw, Jr.  
211 North Tennessee Street  
McKinney, Texas 75069

cc: Robert L. Triable  
2030 Republic Bank Tower  
Dallas, Texas 75201



	A	B	C	D	E	F	G
1						<b>Heard-Craig Center for the Arts</b>	12:34 PM
2						<b>Profit &amp; Loss</b>	01/15/2016
3						<b>December 2015</b>	Cash Basis
4							
5							Jan - Dec 15
6						<b>Ordinary Income/Expense</b>	
7						<b>Income</b>	
8						2091 · Trust Distribution (Intra Fund Transfer)	136,956.13
9						3060 · Grants	2,046.00
10						4000 · Contributions (Contributions)	
11						4026 · Club donations	3,065.00
12						4000 · Contributions (Contributions) - Other	4,663.25
13						<b>Total 4000 · Contributions (Contributions)</b>	<b>7,728.25</b>
14						4012 · Tea & Conversation	
15						4012.1 · Tea & Conversation - Member	670.00
16						4012.2 · Tea & Conversation - Nonmember	1,279.00
17						4012 · Tea & Conversation - Other	1,863.57
18						<b>Total 4012 · Tea &amp; Conversation</b>	<b>3,812.57</b>
19						4014 · Heard Craig Membership (Museum Memberships)	2,560.00
20						4016 · Garden	1,109.00
21						4059 · Exhibit Revenue	160.00
22						4060 · Tour Income (Tour of House)	471.00
23						4061 · Canasta (rental fee for carriage house)	982.32
24						4062 · Gift Shop	1,372.65
25						4065 · Misc. Revenue (Miscellaneous)	1,060.74
26						4067 · CH-Garden Rentals	5,117.00
27						4068 · House Rentals	150.00
28						4070 · Hall Rentals	7,640.00
29						4201 · Interest Income	3,387.96
30						4202 · Div Inc - UBS Financial	6,382.44
31						4203 · Div Inc - UBS Perm Endow	6,401.82
32						4205 · Unrealized Investment gains los	-30,368.91
33						<b>Total Income</b>	<b>156,948.97</b>
34						<b>Cost of Goods Sold</b>	
35						4600 · Gift Shop Items	546.84
36						<b>Total COGS</b>	<b>546.84</b>
37						<b>Gross Profit</b>	<b>156,402.13</b>
38						<b>Expense</b>	
39						02 · Auditorium Rental	1,022.00
40						2000 · Inter Account Transfer (Transfer to Operating Account)	0.00
41						5010 · Aud. Contract Labor (Auditorium/Salaries Gross)	3,170.50
42						5020 · Aud. Electricity (Auditorium/Electricity)	3,078.96
43						5021 · Aud. Gas (Auditorium/Gas)	1,335.58
44						5022 · Auditorium Telephone (Telephone Lines)	203.25
45						5023 · Aud. Water-Sewer (Aud./Water & Sewer)	410.93
46						5045 · Auditorium Plumbing/Electrical (Aud/Maint/Plumb/Electric)	140.00
47						5054 · Aud. Cleaning (Aud/Cleaning/Extra Activ.)	720.00
48						5057 · Aud. Club Expenses (Auditorium/Laundry)	42.08
49						5078 · Auditorium Trash Pick-Up (Trash Pick-Up)	97.46
50						5100 · Community Relations (Expenses related to building community partners)	
51						6101 · Stakeholder Relations (Expenses related to building relations within the Heard-Craig commun	275.29
52						6100 · Community Relations (Expenses related to building community partners) - Other	259.48
53						<b>Total 6100 · Community Relations (Expenses related to building community partners)</b>	<b>534.77</b>
54						5200 · Carriage House Expense	
55						5220 · CH Electricity (C. H./Electricity)	1,065.71
56						5221 · CH Gas (Carriage House/Gas)	583.48
57						5223 · CH Water-Sewer (C. H./Water & Sewer)	357.59
58						5240 · CH FFE (C.H./Maintenance/Bldg.)	287.93
59						5243 · CH Maintenance (C.H./Maint/Heat & Air)	5,243.17
60						5245 · CH Plumbing/Electrical (Maint/Plumbing/Elect/C.H.)	145.00
61						5262 · CH Misc.Expense (Carriage House/Miscellan.)	722.50
62						5280 · CH Security	427.60
63						5200 · Carriage House Expense - Other	280.00
64						<b>Total 5200 · Carriage House Expense</b>	<b>9,092.96</b>

	A	B	C	D	E	F	G
4							
5							Jan - Dec 15
65						5300 · Education (expenses related to creating educational programing)	
66						5301 · Research	176.14
67						5374 · Programs/Lectures (General Overhead/Programs)	47.10
68						5300 · Education (expenses related to creating educational programing) - Other	49.98
69						Total 5300 · Education (expenses related to creating educational programing)	273.22
70						6400 · House Expenses	
71						6420 · House Electricity (H. C. House/Electricity)	5,479.43
72						6421 · House Gas (H. C. House/Gas)	970.44
73						6423 · House Water-Sewer (H. C. House/Water & Sewer)	1,308.40
74						6424 · House Trash	166.09
75						6430 · House Landscape/Maint. (House/Landscape Mainten.)	9,525.40
76						6431 · House Sprinkler Maint. (House/Land.SprinklerMaint)	767.68
77						6432 · House Watering (Hse/Land.Sprink.WaterCost)	3,879.82
78						6442 · House FFE (House/Maint/Equip/Furnish)	13,664.00
79						6443 · House Heat/Air Maint. (House/Maint/Heat & Air)	2,273.83
80						6445 · House Plumbing/Electric (Hse/Maint/Plumb/Electric)	311.78
81						6463 · House Cleaning (H. C. House/Cleaning)	3,549.71
82						6466 · House Decorations (H. C. House/Decoration)	72.88
83						6466 · House Supplies	259.75
84						6468 · House Pest Control (H. C. House/Pest Control)	1,595.00
85						6476 · House Preservation Account	400.00
86						6480 · House Security (H. C. House/Security)	2,330.28
87						6400 · House Expenses - Other	2,247.83
88						Total 6400 · House Expenses	48,802.28
89						5500 · Garden Expenses	434.21
90						5510 · Property Decorations	296.75
91						5520 · Refunds	250.00
92						5600 · Administrative Expenses	
93						Contract Labor (contract labor)	1,183.50
94						5622 · Telephone (Gen./Telephone)	2,753.01
95						5655 · Technology (computers, projectors, wifi and any technology expense or repair)	1,274.43
96						5665 · Office Supplies (Gen/Office Supply/Expense)	1,518.48
97						5600 · Administrative Expenses - Other	174.76
98						Total 5600 · Administrative Expenses	6,904.18
99						5630 · Grounds Improvements (Gardens/Yard)	68.30
100						5642 · General Maint. (Gen/Maint/Equip/Furnish)	676.17
101						5662 · Gen.Miac. (GenOverhead/Miscellaneous)	2,735.23
102						5663 · Professional Training/Ed (professional development for staff)	500.00
103						5664 · Professional Dues	70.00
104						5676 · Tea & Conversation Supplies	3,918.74
105						5677 · Internet	295.30
106						5680 · Event Expense	
107						5680.01 · Music	100.00
108						5680 · Event Expense - Other	200.00
109						Total 5680 · Event Expense	300.00
110						5681 · Exhibit Expenses	134.00
111						5685 · Marketing	
112						5685.01 · Printing	369.05
113						5685 · Marketing - Other	7,411.50
114						Total 5685 · Marketing	7,780.55
115						5688 · Recognition	560.00
116						5690 · Tax/Legal (General Overhead/Audit)	2,899.40
117						5692 · Insurance (General Overhead) (GeneralOverhead/Insurance)	25,367.35
118						5698 · Sales Tax	706.20
119						5800 · Investment Fees	-225.00
120						5801 · Bank Charges	241.50
121						5802 · Paypal Fees	98.66
122						6550 · Salaries and Wages	
123						6555 · Management (Wage Account - Employee Gross Pay)	36,807.67
124						6560 · Support Staff (Wage Account - Employee Gross Pay)	21,524.20
125						6565 · Payroll Taxes (Tax Account - Employer Taxes)	4,685.58
126						Total 6550 · Salaries and Wages	63,017.45
127						66900 · Reconciliation Discrepancies (Discrepancies between bank statements and company records)	3.94



	A	B	C	D	E	F	G
4							
5							Jan - Dec 15
128					6999 - 6999		0.00
129					7800 - Collection Management		45.00
130					<b>Total Expense</b>		186,001.92
131					<b>Net Ordinary Income</b>		-29,599.79
132					<b>Net Income</b>		<b>-29,599.79</b>

1:09 PM  
07/26/16  
Accrual Basis

Heard-Craig Center for the Arts  
Profit & Loss  
January through December 2014

	Jan - Dec 14
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Capital Gain Distributions UBS	10,109.63
Div Inc UBS Financial	5,628.66
Div Inc UBS Perm Endowment	3,407.94
2091 - Trust Distribution (Intra Fund Transfer)	119,477.72
3050 - Grants	46,570.60
3300 - Interest Earned	22.46
4000 - Contributions (Contributions)	2,325.00
4012 - Tea & Conversation	5,729.89
4014 - Heard Craig Membership (Museum Memberships)	815.00
4015 - Garden	100.00
4056 - Ladies Night Out Fundraiser	10,192.23
4060 - Tour Income (Tour of House)	1,175.00
4062 - Gift Shop	520.07
4065 - Misc. Revenue (Miscellaneous)	8,958.07
4067 - CH-Garden Rentals	5,559.30
4070 - Hall Rentals	74,180.38
4205 - Unrealized investment gains los	-7,875.02
<b>Total Income</b>	286,896.93
<b>Gross Profit</b>	286,896.93
<b>Expense</b>	
02 - Auditorium Rental	5,914.00
03 - CH/Garden Deposit Refunds	550.00
2000 - Inter Account Transfer (Transfer to Operating Account)	0.00
5010 - Aud. Contract Labor (Auditorium/Salaries Gross)	6,432.38
5020 - Aud. Electricity (Auditorium/Electricity)	14,145.57
5021 - Aud. Gas (Auditorium/Gas)	983.84
5022 - Auditorium Telephone (Telephone Lines)	2,374.75
5023 - Aud. Water-Sewer (Aud./Water & Sewer)	2,476.49
5041 - Auditorium Elevator (Aud/Maint) (Aud/Maintenance/Elevator)	2,116.36
5043 - Auditorium Heat/Air (Aud/Maint/Heat & Air)	1,217.84
5045 - Auditorium Plumbing/Electrical (Aud/Maint/Plumb/Electric)	470.00
5054 - Aud. Cleaning (Aud/Cleaning/Extra Activ.)	6,580.00
5057 - Aud. Club Expenses (Auditorium/Laundry)	1,087.52
5062 - Aud. Misc. Expense (Auditorium/Miscellaneous)	1,182.12
5068 - Aud. Pest Control (Auditorium/Pest Control)	955.00
5077 - Auditorium (FFE) (Aud/Purch/Equip/Furnishes)	2,805.46
5078 - Auditorium Trash Pick-Up (Trash Pick-Up)	1,092.82
5080 - Auditorium Security (Auditorium/Security)	1,039.00
5083 - Aud. Supplies (Auditorium/Supplies)	858.01

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07/26/16

Accrual Basis

**Heard-Craig Center for the Arts**  
**Profit & Loss**  
 January through December 2014

	Jan - Dec 14
<b>5200 · Carriage House Expense</b>	
5220 · CH Electricity (C. H./Electricity)	1,102.77
5221 · CH Gas (Carriage House/Gas)	1,202.36
5223 · CH Water-Sewer (C. H./Water & Sewer)	400.24
5240 · CH FFE (C.H./Maintenance/Bldg.)	480.00
5253 · CH Cleaning (Carriage House/Cleaning)	335.00
5262 · CH Misc.Expense (Carriage House/Miscellan.)	245.00
5268 · CH Pest Control (CarriageHouse/PestControl)	250.00
5280 · CH Security	9,235.20
<b>Total 5200 · Carriage House Expense</b>	13,250.57
<b>5400 · House Expenses</b>	
5420 · House Electricity (H. C. House/Electricity)	4,720.33
5421 · House Gas (H. C. House/Gas)	2,442.62
5423 · House Water-Sewer (H. C. House/Water & Sewer)	1,161.36
5424 · House Trash	205.92
5430 · House Landscape/Maint. (House/Landscape Mainten.)	10,849.00
5431 · House Sprinkler Maint. (House/Land.SprinklerMaint)	845.99
5432 · House Watering (Hse/Land.Sprink.WaterCost)	4,524.31
5442 · House FFE (House/Maint/Equip/Furnish)	270.00
5443 · House Heat/Air Maint. (House/Maint/Heat & Air)	1,510.19
5444 · House Parking/Walkway Maint. (House/Maint/Parking/Walks)	915.00
5453 · House Cleaning (H. C. House/Cleaning)	1,320.00
5456 · House Decorations (H. C. House/Decoration)	287.88
5468 · House Pest Control (H. C. House/Pest Control)	1,145.00
5476 · House Preservation Supplies	286.93
5480 · House Security (H. C. House/Security)	2,846.40
<b>Total 5400 · House Expenses</b>	33,330.93
<b>5600 · Administrative Expenses</b>	
5622 · Telephone (Gen./Telephone)	2,173.51
5665 · Office Supplies (Gen/Office Supply/Expense)	1,687.19
<b>Total 5600 · Administrative Expenses</b>	3,860.70
5613 · Taxes Paid (Bank One Deposits, Etc.)	70.00
5642 · General Maint. (Gen/Maint/Equip/Furnishes)	144.00
5662 · Gen.Misc. (GenOverhead/Miscellaneous)	1,818.94
5663 · Professional Training/Ed (professional development for staff)	100.00
5664 · Professional Dues	75.00
5671 · Ladies Night Out	1,494.73
5676 · Tea & Conversation Supplies	3,947.84
5677 · Internet	957.55
5685 · Marketing	1,485.75

1:08 PM  
07/26/16  
Accrual Basis

Heard-Craig Center for the Arts  
Profit & Loss  
January through December 2014

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	Jan - Dec 14
5690 · Tax/Legal (General Overhead/Audit)	2,039.12
5692 · Insurance (General Overhead) (General Overhead/Insurance)	16,309.44
5698 · Sales Tax	230.42
5800 · Investment Fees	275.00
6550 · Salaries and Wages	
6555 · Management (Wage Account - Employee Gross Pay)	60,846.11
6560 · Support Staff (Wage Account - Employee Gross Pay)	20,602.25
6565 · Payroll Taxes (Tax Account - Employer Taxes)	6,763.08
6550 · Salaries and Wages - Other	6,065.99
Total 6550 · Salaries and Wages	94,277.43
7800 · Collection Management	
5601 · Art Expense	2,200.00
Total 7800 · Collection Management	2,200.00
9301 · M.C.D.C. Grant (2013)	47,897.27
Total Expense	276,045.85
Net Ordinary Income	10,851.08
Net Income	10,851.08

	A	B	C	D	E	F	G
1						<b>Heard-Craig Center for the Arts</b>	
2						<b>2016 Budget</b>	<b>2016 BUDGET</b>
3							
4							
5						<b>Income</b>	
6						2091 - Trust Distribution (Intra Fund Transfer)	108,000
7						3050 - Grants	20,000
8						4000 - Contributions (Contributions)	4,800
9						4025 - Club donations	2,000
10						4000 - Contributions (Contributions) - Other	3,000
11						Total 4000 - Contributions (Contributions)	9,800
12						4012 - Tea & Conversation	
13						4012.1 - Tea & Conversation - Member	6300
14						4012.2 - Tea & Conversation - Nonmember	14,700
15						4012 - Tea & Conversation - Other	0
16						Total 4012 - Tea & Conversation	21000
17							
18						4014 - Heard Craig Membership (Museum Memberships)	3,800
19						4015 - Garden	4,000
20						4059 - Exhibit Revenue (This is the money we will get when we charge	2,000
21						4060 - Tour Income (Tour of House)	160
22						4061 - Canasta (rental fee for carriage house)	840
23						4062 - Gift Shop	1600
24						4065 - Misc. Revenue (Miscellaneous)	40
25						4067 - CH-Garden Rentals	7,000
26						4068 - House Rentals	2,000
27						4201 - Interest Income	7,000
28						4202 - Div Inc - UBS Financial	3,000
29						4203 - Div Inc - UBS Perm Endow	6,000
30						4205 - Unrealized investment gains los	6,000
31							43,440
32							
33						<b>Total Income</b>	<b>202,240</b>
34							
35						<b>Cost of Goods Sold</b>	
36						4500 - Gift Shop Items	800
37						<b>Total COGS</b>	
38						<b>Gross Profit</b>	<b>\$201,440</b>
39						<b>Expense</b>	
40						02 - Auditorium Rental	N/A
41						2000 - Inter Account Transfer (Transfer to Operating Account)	N/A
42						5010 - Aud. Contract Labor (Auditorium/Salaries Gross)	N/A
43						5020 - Aud. Electricity (Auditorium/Electricity)	N/A
44						5021 - Aud. Gas (Auditorium/Gas)	N/A
45						5022 - Auditorium Telephone (Telephone Lines)	N/A
46						5023 - Aud. Water-Sewer (Aud./Water & Sewer)	N/A
47						5045 - Auditorium Plumbing/Electrical (Aud/Maint/Plumb/Elect)	N/A
48						5054 - Aud. Cleaning (Aud/Cleaning/Extra Activ.)	N/A
49						5057 - Aud. Club Expenses (Auditorium/Laundry)	N/A
50						5078 - Auditorium Trash Pick-Up (Trash Pick-Up)	N/A
51						5100 - Community Relations	
52						5101 - Stakeholder Relations	270
53						5100 - Community Relations	260
54						5200 - Carriage House Expense	
55						5220 - CH Electricity (C. H./Electricity)	1,100
56						5221 - CH Gas (Carriage House/Gas)	580
57						5223 - CH Water-Sewer (C. H./Water & Sewer)	360
58						5240 - CH FFE (C.H./Maintenance/Bldg.)	200
59						5243 - CH Maintenance (C.H./Maint/Heat & Air)	200
60						5245 - CH Plumbing/Electrical (Maint/Plumbing/Elect/C.H.)	200
61						5262 - CH Misc.Expense (Carriage House/Miscellan.)	100
62						5280 - CH Security	440
63						5200 - Carriage House Expense - Other	260
64						Total 5200 - Carriage House Expense	3,970
65						5300 - Education	
66						5301 - Research	
67						5374 - Programs/Lectures	1,400
68						5300 - Education	
69						Total 5300	
70						5400 - House Expenses	
71						5420 - House Electricity (H. C. House/Electricity)	5,500
72						5421 - House Gas (H. C. House/Gas)	970

If you haven't had the chance to swing by the Heard-Craig lately, you might want to grab a friend and stop by. Here's what you've missed in the first 6 months of 2016.....



Patterns-Teacup Exhibit



Holiday Tea & Conversation



Victorian Secrets



Art Meets Floral



Granddaughters Tea



FRESH LOOK: Woodworking Extravaganza



Forever Stylish Exhibit



Art History Brown Bags



Collage Workshops

# Heard-Craig Center for the Arts

205 W Hunt Street  
McKinney, TX 75069  
972-569-6909

Website: [www.heardcraig.org](http://www.heardcraig.org)

Email: [info@heardcraig.org](mailto:info@heardcraig.org) Register: [heard-craig.ticketleap.com](http://heard-craig.ticketleap.com)

LIKE US ON FACEBOOK! Follow us on Twitter @HeardCraig1

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Dear Valued Heard-Craig Center Supporter,

Thank you for referring the Heard-Craig for garden weddings, wedding showers, baby showers, retirement parties, and family events. Because of your referrals, we welcome **a new Wedding and Events Coordinator, Haley Leshowitz**. Please give her a warm welcome! Our best, The Heard-Craig Staff

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## ART HISTORY BROWN BAG LUNCH

July 6, 2016

August 3, 2016

September 7, 2016



Anne Royer hosts this informative session the first Wednesday of each month. 12:30 – 1:30 p.m. in the Carriage House at 205 W Hunt Street. No reservations required. Free. All are welcome.

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## HEARD-CRAIG CENTER *for the* ARTS

Upcoming Events

### June 8

**FOREVER STYLISH EXHIBIT** and  
Tea & Conversation

### June 22

**Collage Workshop** with Carolyn  
Skei 9-12:00 AM **SOLD OUT**

### June 6, 20 July 11, 25 and August 8

**The Art of the Card Series**  
Sessions held in the Carriage  
House. To register, call 972-569-  
6909 or register at  
[www.ticketleap.com](http://www.ticketleap.com)

### August 13

**Granddaughter's Tea** 2:00PM

### September 23 – October 5

**Artistry on Porcelain** –  
Workshops, lectures, and  
exhibits in partnership with the  
Porcelain Guild of North Texas

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If you haven't had the chance to swing by the Heard-Craig lately, you might want to grab a friend and stop by. Here's what you've missed.....

Six Months in Review:



Patterns-Teacup Exhibit



Holiday Tea & Conversation



Victorian Secrets



Art Meets Floral



Granddaughters Tea



FRESH LOOK: Woodworking



Forever Stylish Exhibit

## HOLD THE DATE

4<sup>th</sup> Quarter HOLIDAY TEA AND CONVERSATION: December 7, 2016

PROGRAM: **THE FINEST OF FURS** (assembled by the TEXAS FASHION COLLECTION at UNT)





# **ARTISTRY on PORCELAIN -**

A partnership between the Heard-Craig and the Porcelain Guild of North Texas

10:00 – 3:00 p.m.

Friday, September 23 through Wednesday, October 5, 2016

Opening Reception in the Heard-Craig Main House, September 23, 2016 6:00 – 7:30 p.m.

Artistry on Porcelain brings together a carefully selected group of painted objects, on-site speakers, and the sales of small items representative of the artistry. Demonstrations throughout the event.



Individual Tickets for Exhibit and Reception \$25 per person



All Inclusive Event Packages for Exhibit, Reception, Demonstrations, and all workshops \$100 per person

Small items will be sold during the event,