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Form **990**

OMB No 1545-0047

**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)**2008**Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

For the 2008 calendar year, or tax year beginning **7/01**, 2008, and ending **6/30**, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		Please use IRS label or print or type. See specific instructions. <b>BROOKLYN ARTS COUNCIL, INC.</b> <b>55 WASHINGTON STREET #218</b> <b>BROOKLYN, NY 11201</b>	<b>D</b> Employer Identification Number <b>23-7072915</b> <b>E</b> Telephone number <b>718-625-0080</b>
<b>F</b> Name and address of principal officer <b>SAME AS C ABOVE</b>		<b>G</b> Gross receipts \$ <b>2,690,137.</b> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list (see instructions)	
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>J</b> Website: ▶ <b>WWW.BROOKLYNARTSCOUNCIL.ORG</b> <b>H(c)</b> Group exemption number ▶	
<b>K</b> Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of Formation: <b>1966</b>	<b>M</b> State of legal domicile <b>NY</b>

**Part I Summary**

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>TO ENRICH THE QUALITY OF LIFE OF THE RESIDENTS OF BROOKLYN THROUGH THE PROMOTION OF THE ARTS IN THE COMMUNITY.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>22</b>
	4 Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>0</b>
	5 Total number of employees (Part V, line 2a)	<b>5</b>	<b>222</b>
	6 Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</b>
	Revenue	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>
b Net unrelated business taxable income from Form 990-T, line 34		<b>7b</b>	<b>0.</b>
8 Contributions and grants (Part VIII, line 1h)		<b>Prior Year</b>	<b>Current Year</b>
9 Program service revenue (Part VIII, line 2a)		<b>2,420,378.</b>	<b>2,147,558.</b>
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		<b>515,485.</b>	<b>483,117.</b>
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		<b>29,443.</b>	<b>5,586.</b>
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<b>33,935.</b>	<b>37,989.</b>
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		<b>2,999,241.</b>	<b>2,674,250.</b>
14 Benefits paid to or for members (Part IX, column (A), line 4)		<b>370,000.</b>	<b>355,646.</b>
Expenses		15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	
	16a Professional fundraising fees (Part IX, column (A), line 11e)	<b>1,254,343.</b>	<b>1,204,770.</b>
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>178,020.</b>		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>1,430,879.</b>	<b>1,072,941.</b>
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>3,055,222.</b>	<b>2,633,357.</b>
	19 Revenue less expenses Subtract line 18 from line 12	<b>-55,981.</b>	<b>40,893.</b>
	Not Assets or Fund Balances	20 Total assets (Part X, line 16)	<b>Beginning of Year</b>
21 Total liabilities (Part X, line 26)		<b>1,111,160.</b>	<b>1,124,267.</b>
22 Net assets or fund balances Subtract line 21 from line 20		<b>97,386.</b>	<b>69,600.</b>

**Part II Signature Block**

Sign Here	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.		
	Signature of officer <b>Thomas F. Schutte</b> Date <b>12/9/09</b>	Type or print name and title <b>THOMAS F. SCHUTTE, CHAIRMAN</b>	
Paid Preparer's Use Only	Preparer's signature ▶ <b>JOEL QUIRK</b> Date <b>11/24/09</b>	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) <b>N/A</b>	
	Firm's name (or yours if self-employed), address, and ZIP + 4 <b>LOEWENWARTER &amp; CO, LLP</b> <b>200 OLD COUNTRY ROAD, SUITE 274</b> <b>MINEOLA, NY 11501</b>	EIN ▶ <b>N/A</b> Phone no ▶ <b>(516) 739-9777</b>	

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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**Part III** Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

TO ENRICH THE QUALITY OF LIFE OF THE RESIDENTS OF BROOKLYN THROUGH THE PROMOTION OF  
THE ARTS IN THE COMMUNITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ☐) (Expenses \$ 944,257. including grants of \$ ) (Revenue \$ 296,947.)

ARTS-IN-EDUCATION: CONDUCTING WORKSHOPS IN THE PERFORMING AND VISUAL ARTS BENEFITING  
THOUSANDS OF STUDENTS AND RESIDENTS OF BROOKLYN.

4b (Code ☐) (Expenses \$ 465,950. including grants of \$ 355,646.) (Revenue \$ 5,200.)

REGRANTS: BAC RECEIVES FUNDS FOR REGRANTING TO BROOKLYN CULTURAL GROUPS IN AMOUNTS  
UP TO \$5,000. THESE GRANTS ARE AWARDED BY A PANEL OF PROMINENT PEOPLE KNOWLEDGEABLE  
IN THE ARTS, AFTER FORMAL APPLICATION AND AUDITIONS. GRANTS ARE MONITORED, PROGRESS  
REPORTS RECEIVED AND REVIEWED. ONE-HUNDRED-EIGHTY-TWO GRANTS WERE AWARDED TO  
BROOKLYN ARTISTS, ARTS AND COMMUNITY ORGANIZATIONS.

4c (Code ☐) (Expenses \$ 535,848. including grants of \$ ) (Revenue \$ 500.)

ART SERVICES: PROVIDES TECHNICAL ASSISTANCE TO ARTISTS AND OTHER NONPROFIT ARTS  
GROUPS IN BROOKLYN. MAINTAINS AN ONLINE ARTIST REGISTRY, AN ONLINE DIRECTORY OF ARTS  
ORGANIZATIONS AND ISSUES QUARTERLY NEWSLETTERS.

4d Other program services (Describe in Schedule O) SEE SCHEDULE O

(Expenses \$ 283,208. including grants of \$ ) (Revenue \$ 15,310.)

4e Total program service expenses ▶ \$ 2,229,263. (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations</b> Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U S ?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If 'Yes,' complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III	X	
23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K If 'No,' go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If 'Yes,' complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III		X

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**Part IV** Checklist of Required Schedules (continued)

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI</i>		X

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**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1 a</b>	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	<b>1 a</b>	166
<b>1 b</b>	Enter the number of Forms W-2G included in line 1 a Enter -0- if not applicable	<b>1 b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1 c</b>	X
<b>2 a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	<b>2 a</b>	222
<b>2 b</b>	If at least one is reported on line 2 a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1 a and 2 a is greater than 250, you may be required to e-file this return (see instructions)	<b>2 b</b>	X
<b>3 a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>3 a</b>	X
<b>3 b</b>	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O	<b>3 b</b>	
<b>4 a</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)?	<b>4 a</b>	X
<b>4 b</b>	If 'Yes,' enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts		
<b>5 a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5 a</b>	X
<b>5 b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5 b</b>	X
<b>5 c</b>	If 'Yes,' to question 5 a or 5 b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	<b>5 c</b>	
<b>6 a</b>	Did the organization solicit any contributions that were not tax deductible?	<b>6 a</b>	X
<b>6 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?	<b>6 b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	<b>7 a</b>	X
<b>b</b>	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	<b>7 b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7 c</b>	X
<b>d</b>	If 'Yes,' indicate the number of Forms 8282 filed during the year	<b>7 d</b>	
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7 e</b>	X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7 f</b>	X
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7 g</b>	X
<b>h</b>	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7 h</b>	X
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9 a</b>	
<b>b</b>	Did the organization make any distribution to a donor, donor advisor, or related person?	<b>9 b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10 a</b>	
<b>b</b>	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10 b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>a</b>	Gross income from other members or shareholders	<b>11 a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>11 b</b>	
<b>12 a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12 a</b>	
<b>b</b>	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	<b>12 b</b>	

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**Part VI Governance, Management and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body		
<b>1b</b> Enter the number of voting members that are independent		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b> Does the organization have members or stockholders?		X
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>7b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9a</b> Does the organization have local chapters, branches, or affiliates?		X
<b>b</b> If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10</b> Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990. SEE SCHEDULE O	X	
<b>11</b> Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O		X

**Section B. Policies**

	Yes	No
<b>12a</b> Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done	X	
<b>13</b> Does the organization have a written whistleblower policy?	X	
<b>14</b> Does the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>a</b> The organization's CEO, Executive Director, or top management official?	X	
<b>b</b> Other officers of key employees of the organization? SEE SCHEDULE O Describe the process in Schedule O (see instructions)	X	
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b> If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosures**

**17** List the states with which a copy of this Form 990 is required to be filed ▶ NY

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website ☒ Another's website ☒ Upon request

**19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization  
 ▶ BROOKLYN ARTS COUNCIL, INC. 55 WASHINGTON STREET BROOKLYN NY 11201 (718) 625-0080

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors****Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1 a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) or more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W 2/1099-MISC)	(E) Reportable compensation from related organizations (W 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MARTY MARKOWITZ HON. CHAIRMAN	0							0.	0.	0.
DR. THOMAS F. SCHUTTE CHAIRMAN	3							0.	0.	0.
PETER ASCHENASY VICE PRESIDENT	3							0.	0.	0.
MARVIN NUMEROFF VICE PRESIDENT	3							0.	0.	0.
MICHAEL A. ARMSTRONG SECRETARY	3							0.	0.	0.
SYLVIA LANKA BARONE TREASURER	3							0.	0.	0.
AUDREY FRANK ANASTASI TRUSTEE	3							0.	0.	0.
ERMINA RIVERA TRUSTEE	3							0.	0.	0.
SUSAN ROWLAND TRUSTEE	3							0.	0.	0.
ANTONIA YUILLE-WILLIAMS TRUSTEE	3							0.	0.	0.
GEORGE ANDREOZZI TRUSTEE	1							0.	0.	0.
CAROL ENSEKI TRUSTEE	1							0.	0.	0.
THEODORE GUNN TRUSTEE	1							0.	0.	0.
RADIAH HARPER TRUSTEE	1							0.	0.	0.
ARNOLD N. KRISS TRUSTEE	1							0.	0.	0.
RODNEY J. E. LEON TRUSTEE	1							0.	0.	0.
KEVIN PEMBERTON TRUSTEE	1							0.	0.	0.



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont.)**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ADA RODRIGUEZ TRUSTEE	1							0.	0.	0.
CARL SELF TRUSTEE	1							0.	0.	0.
SHARON E. SIMMONS TRUSTEE	1							0.	0.	0.
DONNA WALKER-KUHNE TRUSTEE	1							0.	0.	0.
I. DONALD WESTON TRUSTEE	1							0.	0.	0.
THOMAS FORDHAM FINANCE DIRECTOR	35					X		80,500.	0.	0.
TRICIA MIRE MANAGING DIRECTOR	35					X		50,500.	0.	0.
CAROL STERLING ARTS IN ED DIR.	35					X		65,500.	0.	0.
KAY TURNER FOLK ARTS DIR.	35					X		63,500.	0.	0.
COURTNEY WENDROFF EXECUTIVE ASST.	35					X		56,500.	0.	0.
<b>1b Total</b>								<b>316,500.</b>	<b>0.</b>	<b>0.</b>

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **0**

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

	Yes	No
3		X
4		X
5		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If 'Yes,' complete Schedule J for such person

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of Services	(C) Compensation
ELLA J. WEISS C/O BAC BROOKLYN, NY 11201	PRESIDENT	167,080.

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **1**

**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS</b>	<b>1a</b> Federated campaigns	<b>1a</b>				
	<b>b</b> Membership dues	<b>1b</b>				
	<b>c</b> Fundraising events	<b>1c</b>				
	<b>d</b> Related organizations	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b> 1,529,395.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b> 618,163.				
	<b>g</b> Noncash contribs included in lns 1a-1f	\$				
<b>h Total.</b> Add lines 1a-1f			2,147,558.			
<b>PROGRAM SERVICE REVENUE</b>	<b>2a</b> CONTRACT SERVICES	Business Code 900099	317,957.	317,957.		
	<b>b</b> CONDUIT SERVICES	900099	165,160.	165,160.		
	<b>c</b>					
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f		483,117.			
<b>OTHER REVENUE</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts)		5,586.	5,586.		
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6a</b> Gross Rents	(i) Real (ii) Personal				
	<b>b</b> Less rental expenses					
	<b>c</b> Rental income or (loss)					
	<b>d</b> Net rental income or (loss)					
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	<b>b</b> Less cost or other basis and sales expenses					
	<b>c</b> Gain or (loss)					
	<b>d</b> Net gain or (loss)					
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	<b>a</b> 53,876.				
	<b>b</b> Less direct expenses	<b>b</b> 15,887.				
	<b>c</b> Net income or (loss) from fundraising events		37,989.	37,989.		
	<b>9a</b> Gross income from gaming activities See Part IV, line 19	<b>a</b>				
<b>b</b> Less direct expenses	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities						
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>					
<b>b</b> Less cost of goods sold	<b>b</b>					
<b>c</b> Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
<b>11a</b>						
<b>b</b>						
<b>c</b>						
<b>d</b> All other revenue						
<b>e Total.</b> Add lines 11a-11d						
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			2,674,250.	526,692.	0.	0.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	355,646.	355,646.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	1,052,141.	895,874.	86,132.	70,135.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	49,305.	41,962.	3,525.	3,818.
10 Payroll taxes	103,324.	87,936.	7,388.	8,000.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	9,028.		9,028.	
d Lobbying				
e Prof fundraising svcs. See Part IV, ln 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	39,349.	23,619.	13,576.	2,154.
14 Information technology				
15 Royalties				
16 Occupancy	67,380.	49,861.	7,412.	10,107.
17 Travel	11,031.	6,496.	4,495.	40.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,948.		4,948.	
23 Insurance	20,358.	15,065.	2,239.	3,054.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a CONTRACT ARTISTS, ETC.	367,024.	367,024.		
b CONSULTANTS	296,786.	178,000.	39,244.	79,542.
c PROGRAM SUPPLIES AND RENTAL	85,735.	85,185.	550.	
d PRINTING AND PUBLICATIONS	73,102.	71,970.	745.	387.
e MEETING AND WORKSHOP COSTS	48,132.	43,406.	4,656.	70.
f All other expenses	50,068.	7,219.	42,136.	713.
25 Total functional expenses. Add lines 1 through 24f	2,633,357.	2,229,263.	226,074.	178,020.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	1 Cash — non-interest-bearing		1	
	2 Savings and temporary cash investments	395,567.	2	397,164.
	3 Pledges and grants receivable, net	455,415.	3	348,312.
	4 Accounts receivable, net	103,355.	4	228,816.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	30,992.	9	29,092.
	10a Land, buildings, and equipment: cost basis	10a 141,590.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 20,707.	10c	120,883.
	11 Investments — publicly-traded securities		11	
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15		
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	1,111,160.	16	1,124,267.	
<b>LIABILITIES</b>	17 Accounts payable and accrued expenses	97,386.	17	69,600.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 <b>Total liabilities.</b> Add lines 17 through 25	97,386.	26	69,600.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29 and lines 33 and 34.</b>			
	27 Unrestricted net assets	478,974.	27	464,406.
	28 Temporarily restricted net assets	534,800.	28	590,261.
	29 Permanently restricted net assets		29	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, and equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 <b>Total net assets or fund balances.</b>	1,013,774.	33	1,054,667.
	34 <b>Total liabilities and net assets/fund balances.</b>	1,111,160.	34	1,124,267.

**Part XI Financial Statements and Reporting**

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If 'Yes,' did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

BAA

Form 990 (2008)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received (Do not include 'unusual grants'.)	1,182,229.	1,519,259.	1,982,037.	2,420,378.	2,131,864.	9,235,767.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
<b>3</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.						0.
<b>4 Total.</b> Add lines 1-3	1,182,229.	1,519,259.	1,982,037.	2,420,378.	2,131,864.	9,235,767.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0.
<b>6 Public support.</b> Subtract line 5 from line 4						9,235,767.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	1,182,229.	1,519,259.	1,982,037.	2,420,378.	2,131,864.	9,235,767.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	8,325.	15,995.	35,229.	29,443.	21,280.	110,272.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						0.
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) SEE PART IV			59,409.	33,935.	37,989.	131,333.
<b>11 Total support.</b> Add lines 7 through 10						9,477,372.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	0.

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	97.5 %
<b>15</b> Public support percentage for 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	97.9 %

**16a 33-1/3 support test – 2008.** If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ☒**b 33-1/3 support test – 2007.** If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐**17a 10%-facts-and-circumstances test – 2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ☐**b 10%-facts-and-circumstances test – 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization ☐**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ☐

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Schedule A (Form 990 or 990-EZ) 2008

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1-5						
<b>7a</b> Amounts included on lines 1, 2, 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (add lns 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2008</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2007</b> Schedule A, Part IV-A, line 27h	<b>18</b>	%
<b>19a 33-1/3 support tests – 2008.</b> If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
<b>b 33-1/3 support tests – 2007.</b> If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶ <input type="checkbox"/>		

## Part IV

**Part IV** **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

[illegible]



2008

## SCHEDULE A, PART IV - SUPPLEMENTAL INFORMATION PAGE 5

CLIENT 19602

BROOKLYN ARTS COUNCIL, INC.

23-7072915

12/01/09

04.36PM

## PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2008	2007	2006	2005	2004
NET BENEFIT INCOME	37,989.	33,935.	59,409.		
TOTAL	<u>\$ 37,989.</u>	<u>\$ 33,935.</u>	<u>\$ 59,409.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**SCHEDULE O**  
**(Form 990)**

**Supplemental Information to Form 990**

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

► Attach to Form 990. To be completed by organizations to provide  
additional information for responses to specific questions for the  
Form 990 or to provide any additional information.

Name of the organization

BROOKLYN ARTS COUNCIL, INC.

Employer identification number

23-7072915

**FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION**

FOLK ARTS AND OTHER PRESENTATIONS: CONDUCTS FREE PERFORMANCES IN BROOKLYN PARKS,

LIBRARIES AND COMMUNITY CENTERS. CONDUCTS ETHNIC FESTIVALS THROUGHOUT BROOKLYN.

FEATURES THE BEST VISUAL ARTISTS THROUGHOUT BROOKLYN. SERVES THE GENERAL POPULATION

OF BROOKLYN. CONDUCTING WORKSHOPS IN ANIMATION AND FILM. SPONSORS AN ANNUAL FILM

FESTIVAL DRAWING APPLICATIONS FROM AROUND THE WORLD, FOSTERING YOUNG TALENT IN AND

OUT OF BROOKLYN.

**FORM 990, PART VI, LINE 10 - FORM 990 REVIEW PROCESS**

THE ORGANIZATION'S AUDIT COMMITTEE REVIEWS FORM 990, INCLUDING ALL SCHEDULES AND

ATTACHMENTS, PRIOR TO FILING. THE REVIEW PROCESS INCLUDES A COMMITTEE MEETING WITH

THE TAX PREPARER FOR DISCUSSION OF THE CONTENT AND PRESENTATION OF THE TAX RETURN

INFORMATION.

**FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEE**

MANAGEMENT OR BOARD REVIEW ALL COMPENSATION ANNUALLY.

**SCHEDULE D  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements****Attach to Form 990. To be completed by organizations that  
answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

**2008****Open to Public  
Inspection**

Name of the organization

BROOKLYN ARTS COUNCIL, INC.

Employer identification number

23-7072915

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements** Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easement it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition  
b ☐ Scholarly research

- d ☐ Loan or exchange programs  
e ☐ Other \_\_\_\_\_

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Trust, Escrow and Custodial Arrangements** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table

- c Beginning balance  
d Additions during the year  
e Distributions during the year  
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV

**Part V Endowment Funds** Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

- 1a Beginning of year balance  
b Contributions  
c Investment earnings or losses  
d Grants or scholarships  
e Other expenditures for facilities and programs  
f Administrative expenses  
g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
1b					
1c					
1d					
1e					
1f					
1g					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %  
b Permanent endowment ▶ \_\_\_\_\_ %  
c Term endowment ▶ \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations  
(ii) related organizations

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book Value
1a Land				
b Buildings				
c Leasehold improvements	141,590.		20,707.	120,883.
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				120,883.

BAA

Schedule D (Form 990) 2008



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	2,674,250.
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	2,633,357.
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	40,893.
<b>4</b>	Net unrealized gains (losses) on investments	
<b>5</b>	Donated services and use of facilities	
<b>6</b>	Investment expenses	
<b>7</b>	Prior period adjustments	
<b>8</b>	Other (Describe in Part XIV)	
<b>9</b>	Total adjustments (net) Add lines 4-8	
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	40,893.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	2,674,250.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	2,674,250.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
<b>a</b>	Investments expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 12.)	<b>5</b>	2,674,250.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	2,633,357.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Losses reported on Form 990, Part IX, line 25	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	2,633,357.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investments expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 18.)	<b>5</b>	2,633,357.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

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<b>Part XIV</b>	<b>Supplemental Information</b> <i>(continued)</i>
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Department of the Treasury  
Internal Revenue Service

► Must be completed by organizations that answer 'Yes' to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.

OMB No 1545 0047

2008

**Open to Public Inspection**

Name of the organization

BROOKLYN ARTS COUNCIL, INC.

Employer identification number

23-7072915

<b>Part I</b>	<b>Fundraising Activities.</b> Complete if the organization answered 'Yes' to Form 990, Part IV, line 17.
---------------	---

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- |                                     |                         |                                     |                                       |
|-------------------------------------|-------------------------|-------------------------------------|---------------------------------------|
| <input type="checkbox"/>            | Mail solicitations      | <input checked="" type="checkbox"/> | Solicitation of non-government grants |
| <input checked="" type="checkbox"/> | Email solicitations     | <input checked="" type="checkbox"/> | Solicitation of government grants     |
| <input type="checkbox"/>            | Phone solicitations     | <input checked="" type="checkbox"/> | Special fundraising events            |
| <input type="checkbox"/>            | In-person solicitations |                                     |                                       |

**2a** Did the organization have written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☒ No

**b** If 'Yes,' list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
<b>Total</b>						0

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

NY



**Part II Fundraising Events.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

REVENUE		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		ANNUAL BENEFIT (event type)	(event type)	(total number)	(Add col. (a) through col. (c))
	1 Gross receipts	53,876.			53,876.
	2 Less Charitable contributions				
	3 Gross revenue (line 1 minus line 2)	53,876.			53,876.
DIRECT EXPENSES	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Other direct expenses	15,887.			15,887.
	8 Direct expense summary Add lines 4- through 7 in column (d)				15,887.
	9 Net income summary. Combine lines 3 and 8 in column (d)				37,989.

**Part III Gaming.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

REVENUE		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col. (a) through col. (c))
	1 Gross revenue				
DIRECT EXPENSES	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary Add lines 2 through 5 in column (d)				
	8 Net gaming income summary Combine lines 1 and 7 in column (d)				

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?

b If 'No,' Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If 'Yes,' Explain

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

	YES	NO
9a		
10a		
11		
12		

**13** Indicate the percentage of gaming activity operated in**a** The organization's facility**b** An outside facility**13a**

%

**13b**

%

**14** Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ \_\_\_\_\_

Address. ▶ \_\_\_\_\_

**15a** Does the organization have a contact with a third party from whom the organization receives gaming revenue?**b** If 'Yes,' enter the amount of gaming revenue received by the organization \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party \$ \_\_\_\_\_**c** If 'Yes,' enter name and address

Name ▶ \_\_\_\_\_

Address. ▶ \_\_\_\_\_

**16** Gaming manager information

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?**b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_**YES** **NO****15a****17a**

## Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

2008

► Complete if the organization answered 'Yes,' on Form 990, Part IV, lines 21 or 22.  
► Attach to Form 990.

Employer identification number

23-7072915

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

SEE PART IV

990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use

Part IV and Schedule I-1 (Form 990) if additional space is needed

**2** Enter total number of section 501(c)(3) and government organizations

**3** Enter total number of other organizations



BROOKLYN ARTS COUNCIL, INC.

FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

**BROOKLYN ARTS COUNCIL, INC.**

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**Notes to Financial Statements**



**ERNEST D. LOEWENWARTER & CO. LLP**

**CERTIFIED PUBLIC ACCOUNTANTS**

**ESTABLISHED 1903**

**WILLIAM KOLBERT, CPA  
PAUL C. NAUMANN, CPA  
JOEL A. QUIRK, CPA**

**MEMBERS OF AICPA AND NYSSCPA**

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**NEW YORK CITY**

**250 West 57th Street - Suite 820  
New York, NY 10107  
(212) 265-3910 • Fax (212) 849-2465**

**INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
Brooklyn Arts Council, Inc.  
Brooklyn, New York**

We have audited the accompanying statements of financial position of the Brooklyn Arts Council, Inc. as of June 30, 2009 and 2008 and the related statements of activities and net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Brooklyn Arts Council, Inc. as of June 30, 2009 and 2008 and the result of operations, net assets and, its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Ernest D. Loewenwarter* *EDLLP*

**ERNEST D. LOEWENWARTER & CO. LLP  
Certified Public Accountants**

**Mineola, New York  
September 23, 2009**

## BROOKLYN ARTS COUNCIL, INC.

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	<u>ASSETS</u>	
	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS:</b>		
Cash & Short-Term Investments	\$ 397,164	\$ 395,567
Grants Receivable	348,312	455,415
Accounts Receivable	228,816	103,355
Prepaid Expenses and Other Receivables	29,092	30,992
Total Current Assets	<u>1,003,384</u>	<u>985,329</u>
<b>NON-CURRENT ASSETS:</b>		
Equipment, Furniture and Improvements	141,590	141,590
Less: Accumulated Depreciation	<u>(20,707)</u>	<u>(15,759)</u>
Total Non-Current Assets	<u>120,883</u>	<u>125,831</u>
Total	<u><u>\$1,124,267</u></u>	<u><u>\$1,111,160</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Line of Credit - Note 5	\$ -0-	\$ -0-
Accounts Payable	47,349	79,732
Other Accrued Expenses	<u>22,251</u>	<u>17,654</u>
Total Current Liabilities	69,600	97,386
<b>NET ASSETS:</b>		
Unrestricted	464,406	463,974
Temporarily Restricted - Note 2	<u>590,261</u>	<u>549,800</u>
	<u>1,054,667</u>	<u>1,013,774</u>
Total	<u><u>\$1,124,267</u></u>	<u><u>\$1,111,160</u></u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.



**BROOKLYN ARTS COUNCIL, INC.****EXHIBIT B****STATEMENT OF ACTIVITIES AND NET ASSETS****FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

	2009			2008
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUES:</b>				
Federal Grants	\$ 91,406		\$ 91,406	\$ 20,000
State Grants	337,200		337,200	294,500
City Grants	1,100,789		1,100,789	1,526,377
Foundation Grants	177,375	\$184,025	361,400	314,500
Corporate Contributions	164,545	11,655	176,200	196,150
Individual & Private Contributions	12,618		12,618	12,040
Net Benefit Income	37,989		37,989	33,935
In-Kind Contributions	52,251		52,251	56,811
Fiscal Sponsorship Income	165,160		165,160	164,596
Contract Service Income	317,957		317,957	350,889
Other Income	21,280		21,280	29,443
Net assets released from restrictions	155,219	(155,219)	-0-	-0-
Total Revenues	2,633,789	40,461	2,674,250	2,999,241
<b>EXPENSES:</b>				
Program Services				
Arts In Education	944,257		944,257	1,103,896
Regrant Program	465,950		465,950	472,797
Technical and Referral Services	535,848		535,848	713,633
Folk Art Series	222,723		222,723	291,110
Arts Presentations	60,485		60,485	61,360
Total Program Services	2,229,263		2,229,263	2,642,796
Supporting Services:				
Management and General	226,074		226,074	219,604
Fund Raising	178,020		178,020	192,822
Total Expenses	2,633,357		2,633,357	3,055,222
<b>CHANGE IN NET ASSETS</b>	432	40,461	40,893	(55,981)
<b>FUND BALANCE - Beginning of Year</b>	463,974	549,800	1,013,774	1,069,755
<b>FUND BALANCE - End of Year</b>	<u>\$ 464,406</u>	<u>\$ 590,261</u>	<u>\$1,054,667</u>	<u>\$1,013,774</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

## BROOKLYN ARTS COUNCIL, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

## FISCAL YEAR ENDED JUNE 30, 2009 WITH

## COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Technical Assistance & Referral Services											Year Ended June 30,	
	Arts-In-Education	Regrant Program	Assistance & Referral Services	Folk Art Series	Arts Presentation	Total Program Services	Management & General	Fund Raising	2009		2008		
									Total	Total	Total	Total	
<b>EXPENSES:</b>													
Salaries and Wages	\$ 591,272	\$ 68,647	\$ 121,403	\$ 91,190	\$ 23,362	895,874	\$ 86,132	\$ 70,135	\$ 1,052,141	\$ 1,195,160			
Payroll Taxes and Employee Benefits	82,713	12,657	16,424	14,872	3,232	129,898	10,913	11,818	152,629	185,534			
<b>Total Salaries and Related Costs</b>	<b>\$ 673,985</b>	<b>\$ 81,304</b>	<b>\$ 137,827</b>	<b>\$ 106,062</b>	<b>\$ 26,594</b>	<b>\$ 1,025,772</b>	<b>\$ 97,045</b>	<b>\$ 81,953</b>	<b>\$ 1,204,770</b>	<b>\$ 1,380,694</b>			
Contract Artists, Performers and Instructors	\$ 102,480	\$ -	\$ 218,666	\$ 36,265	\$ 9,613	\$ 367,024	\$ -	\$ -	\$ 367,024	\$ 424,700			
Consultants	41,595	10,012	74,799	41,070	10,524	178,000	39,244	79,542	296,786	372,591			
Office Expenses	15,365	1,457	2,677	2,753	1,367	23,619	13,576	2,154	39,349	45,723			
Printing, Advertising and Marketing	24,144	4,938	27,579	8,288	7,021	71,970	745	387	73,102	149,709			
Occupancy	22,236	6,064	13,476	6,064	2,021	49,861	7,412	10,107	67,380	63,474			
Equipment Leasing and Maintenance	1,569	428	951	628	143	3,719	42,134	713	46,566	45,755			
Program Supplies and Rental	50,460	350	19,954	13,921	500	85,185	550	-	85,735	113,548			
Insurance	6,718	1,832	4,072	1,832	611	15,065	2,239	3,054	20,358	20,545			
Conference and Development Cost	2,877	3,402	30,922	4,260	1,945	43,406	4,656	70	48,132	44,595			
Accounting	-	-	-	-	-	-	9,028	-	9,028	9,175			
Transportation Expenses	2,828	517	1,425	1,580	146	6,496	4,495	40	11,031	8,772			
Bad Debt Expense	-	-	3,500	-	-	3,500	2	-	3,502	1,084			
Regrants	-	355,646	-	-	-	355,646	-	-	355,646	370,000			
<b>Total Expense Before Depreciation and Other Items</b>	<b>\$ 944,257</b>	<b>\$ 465,950</b>	<b>\$ 535,848</b>	<b>\$ 222,723</b>	<b>\$ 60,485</b>	<b>\$ 2,229,263</b>	<b>\$ 221,126</b>	<b>\$ 178,020</b>	<b>\$ 2,628,409</b>	<b>\$ 3,050,365</b>			
Depreciation	-	-	-	-	-	-	4,948	-	4,948	4,857			

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

ERNEST D. LOEWENWARTER & CO. LLP  
Certified Public Accountants

BROOKLYN ARTS COUNCIL, INC.

EXHIBIT D

STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ 40,893	\$(55,981)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Loss on Disposal of Old Equipment	4,948	4,857
Changes in Assets and Liabilities:		
(Increase) Decrease in Grants and Accounts Receivable	( 18,358)	(141,690)
Increase in Prepaid Expenses	1,900	( 181)
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>(27,786)</u>	<u>4,164</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,597</u>	<u>(188,831)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed Asset Purchases	<u>-0-</u>	<u>( 904)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>-0-</u>	<u>( 904)</u>
NET INCREASE (DECREASE) IN CASH	1,597	(189,735)
CASH AND CASH EQUIVALENTS - Beginning of Period	<u>395,567</u>	<u>585,302</u>
CASH AND CASH EQUIVALENTS - End of Period	<u>\$397,164</u>	<u>\$395,567</u>
Supplemental Cash Flows Information:		
Interest Paid	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

BROOKLYN ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 and 2008

**1. ORGANIZATION:**

The Brooklyn Arts Council, Inc. (BAC) is a not-for-profit organization incorporated under New York State law in 1970. The mission of BAC is to enrich the quality of life of the residents of Brooklyn and to encourage and provide opportunities for artists and art organizations by fostering and promoting the arts in all disciplines for the diverse communities of Brooklyn.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Accounting**

The Company prepares its financial statements on the accrual method of accounting, recognizing income when earned and expenses when incurred..

Equipment, Furniture and Improvements with a useful life in excess of one year are capitalized at cost, and depreciated over their estimated useful lives.

Contributions and grants are recorded to the period to which such contributions and grants are intended to apply.

**Basis of Presentation**

Net assets of the Council and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets** - Net assets subject to restrictive use that will be satisfied by actions of the Council.

**Cash and Cash Equivalents:**

The Council considers all short term investments with maturities of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses on such accounts.

**BROOKLYN ARTS COUNCIL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2009 and 2008**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**In-Kind Contributions**

During the year ended June 30, 2005, the NYC Department of Cultural Affairs made a capital grant to the Council. Under the terms of this grant, the City has made available to the Council free of charge certain equipment and furniture with a fair market value of \$172,064. The fair rental value of this equipment was \$41,811 for the periods ended June 30, 2009 and 2008. These amounts have been recorded as In-Kind Contributions by the Council. The City's investment of capital expenditures obligate BAC to operate the facility during the respective bonding terms as a non-profit entity, open to and used and maintained for the benefit of the people of the City for cultural, educational or artistic uses and/or related purposes approved by the City. During the year ended June 30, 2009, BAC received \$10,440 of In-Kind Contributions from private sources which were used to cover certain operating expenses.

**Lease Expense**

Long-term lease commitments are expensed as monthly lease payments come due. Rent expense for the years ended June 30, 2009 and 2008 was \$48,483 and \$39,111, respectively.

**3. SERVICES AND PROGRAMS:**

BAC sponsors various services and programs throughout the community to promote and encourage the knowledge, appreciation and practice of the arts through educational and cultural activities. BAC's ongoing services and programs consist of the following:

1. Arts-in-Education, serving New York City school districts.
2. Regrant program, sponsored by the New York State Council on the Arts, the City of New York Department of Cultural Affairs and the JP Morgan Chase Foundation.
3. Technical assistance and referral services to artists and art organizations.
4. Folk Art Series.
5. Arts presentations

**4. TAXES:**

The Council qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to income taxes on net income from exempt purposes.

BROOKLYN ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 and 2008

**5. LINE OF CREDIT:**

**Sovereign Bank**

Under the terms of a revolving credit agreement with Sovereign Bank, renewed in February, 2008, the Council could borrow up to \$100,000 at the bank's Prime Rate through February 1, 2009. Interest was payable monthly. This agreement was renewable annually at the bank's discretion. During the fiscal years ended June 30, 2008 and 2009, the Council did not draw any amounts against this line. There was no outstanding balance under this agreement at June 30, 2008. The Council chose not to renew the line of credit in 2009.

**6. COMMITMENTS AND CONTINGENCIES:**

On May 15, 2004, BAC entered into a seven-year lease agreement for the approximately 4,200 square feet of office space at 55 Washington Street, D.U.M.B.O., Brooklyn. The Council relocated its office to this location in April 2005. The lease expires on August 31, 2011.

Under this lease agreement, and after an initial rent-free period, the Council is obligated to make annual lease payments as follows:

			<b><u>ANNUAL BASE RENT</u></b>
9/01/2008	to	8/31/2009	\$50,400
9/01/2009	to	8/31/2010	\$50,400
9/01/2010	to	8/31/2011	\$50,400