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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)

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

2009

Open to Public Inspection

For the 2009 calendar year, or tax year beginning

, 2009, and ending

B	Check if applicable:	C	D
<input type="checkbox"/>	Address change	MILL STREET LOFT, INC.	Employer Identification Number
<input type="checkbox"/>	Name change	45 PERSHING AVENUE	22-2538177
<input type="checkbox"/>	Initial return	POUGHKEEPSIE, NY 12601	E Telephone number
<input type="checkbox"/>	Termination		845-471-7477
<input checked="" type="checkbox"/>	Amended return		
<input type="checkbox"/> Application pending		F Name and address of principal officer	G Gross receipts \$ 950,841.
		SAME AS C ABOVE	

I Tax-exempt status 501(c) (3) (insert no.) 4947(a)(1) or 527H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
If 'No,' attach a list (see instructions)

J Website: ► WWW.MILLSTREETLOFT.ORG

H(c) Group exemption number ►

K Form of organization Corporation Trust Association Other ► L Year of Formation 1985 M State of legal domicile NY

SCANNED Activities & Governance

Revenue

Expenses

Net Assets & Fund Balances

1 Briefly describe the organization's mission or most significant activities: TO PROVIDE EDUCATIONAL, CREATIVE AND CULTURALLY ENRICHING PROGRAMS USING A MULTI-SENSORY APPROACH.2 Check this box ► 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)

3 23

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 0

5 Total number of employees (Part V, line 2a)

5 0

6 Total number of volunteers (estimate if necessary)

6 0

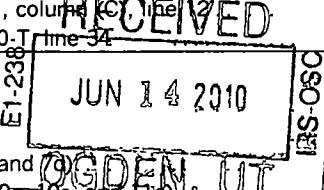
7a Total gross unrelated business revenue from Part VIII, column (C), line 12

7a 0.

b Net unrelated business taxable income from Form 990-T line 34

7b 0.

8 Contributions and grants (Part VIII, line 1h)



9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 5)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11c)

12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)

Prior Year	Current Year
339,739.	414,628.
398,213.	428,726.
2,435.	125.
67,577.	54,238.
807,964.	897,717.

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

436,671. 360,865.

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) ► 25,031.

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)

538,051. 514,077.

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)

974,722. 874,942.

19 Revenue less expenses. Subtract line 18 from line 12

-166,758. 22,775.

Beginning of Year	End of Year
956,899.	976,253.
328,200.	324,779.
628,699.	651,474.

Part II Signature Block

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

Sign Here

Signature of officer

5/19/10

Date

CAROLE WOLF

EXECUTIVE DIRECTOR

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Carol B. Wolf

5/19/10

Check if self-employed ►

Preparer's identifying number (see instructions)

P00109598

Firm's name (or yours if self-employed), address, and ZIP + 4

BAILEY BROWNE CPA & ASSOCIATES
80 WASHINGTON ST STE 202
POUGHKEEPSIE, NY 12601

EIN ► 83-0387479

Phone no ► (845) 485-6200

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

X Yes No

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

TEEA0113L 12/29/09

Form 990 (2009)

917-22

9

Part.III Statement of Program Service Accomplishments1 Briefly describe the organization's mission

TO PROVIDE EDUCATIONAL, CREATIVE AND CULTURALLY ENRICHING PROGRAMS USING A
MULTI-SENSORY APPROACH.

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

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?

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 \$ 770,402. including grants of \$) (Revenue \$ 897,717.)

TO PROVIDE MULTI-ART EXPERIENCES TO CHILDREN AND ADULTS THROUGH A VARIETY OF PROGRAMS WHICH INCLUDE A SUMMER CAMP, EDUCATIONAL WORKSHOPS, AND A YEAR ROUND EMPLOYMENT PROGRAM CALLED PROJECT ABLE, AS WELL AS OTHER INTERGENERATIONAL WORKSHOPS AND PROGRAMS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 770,402.

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

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

4 **Section 501(c)(3) organizations** Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II

5 **Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** 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 similar funds or 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

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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III

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

10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V

11 Is the organization's answer to any of the following questions 'Yes'? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI
- Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII
- Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII
- Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX
- Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X
- Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If 'Yes,' complete Schedule D, Part XI

12 Did the organization obtain separate, independent audited financial statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII

12A Was the organization included in consolidated, independent audited financial statement for the tax year? If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Part I

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

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

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H

	Yes	No
1	X	
2	X	
3		X
4		X
5		
6		X
7		X
8		X
9		X
10		X
11	X	
12	X	
12 A	X	
13		X
14a		X
14b		X
15		X
16		X
17		X
18	X	
19		X
20		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III	22	X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J	23	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 lines 24b through 24d and complete Schedule K. If 'No,' go to line 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
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?	24c	
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I	25b	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	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV	28a	X
b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV	28b	X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M.	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2	36	X
37 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? If 'Yes,' complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	0
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	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	2a	0
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
3b	b If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule Q	3b	
4a	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 If 'Yes,' enter the name of the foreign country. ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.	4a	X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5b	b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5c	c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
6b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7	
7a	a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
7b	b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	7b	
7c	c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
7d	d If 'Yes,' indicate the number of Forms 8282 filed during the year	7d	
7e	e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
7f	f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
7g	g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
7h	h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.	9	
9a	a Did the organization make any taxable distributions under section 4966?	9a	
9b	b Did the organization make any distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:	10	
10a	a Initiation fees and capital contributions included on Part VIII, line 12.	10a	
10b	b Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter:	11	
11a	a Gross income from other members or shareholders	11a	
11b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
12b	b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI

Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

1 a Enter the number of voting members of the governing body 1a 23
 b Enter the number of voting members that are independent 1b

2 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? 2 X

3 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? 3 X

4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? 4 X

5 Did the organization become aware during the year of a material diversion of the organization's assets? 5 X

6 Does the organization have members or stockholders? 6 X

7 a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? 7a X
 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? 7b X

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:
 a The governing body? 8a X
 b Each committee with authority to act on behalf of the governing body? 8b X

9 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 9 X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

10 a Does the organization have local chapters, branches, or affiliates?
 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? 10a X
 10b

11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? 11 X

11 A Describe in Schedule O the process, if any, used by the organization to review this Form 990 SEE SCHEDULE O

12 a Does the organization have a written conflict of interest policy? If 'No,' go to line 13
 b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12a X
 c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done SEE SCHEDULE O 12b X
 12c

13 Does the organization have a written whistleblower policy? 13 X

14 Does the organization have a written document retention and destruction policy? 14 X

15 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?
 a The organization's CEO, Executive Director, or top management official
 b Other officers of key employees of the organization.
 If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.) 15a X
 15b

16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?
 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? 16a X
 16b

Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed ► NONE

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:
 ► SAFIA JOHNSON 45 PERSHING AVENUE POUGHKEEPSIE NY 12601 845-471-7477

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. 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. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees. See instructions for definition of 'key employees.'
- 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) of 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 current officer, director, or trustee.

(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
		Or director	Individual trustee	Institutional trustee	Officer	Key employee			
JOHN PAXTON DIRECTOR	1	X					0.	0.	0.
STEPHEN ARONSON DIRECTOR	1	X					0.	0.	0.
DIANA CHESMEL DIRECTOR	1	X					0.	0.	0.
DEBRA FLANIGAN DIRECTOR	1	X					0.	0.	0.
RYAN G. FOHL DIRECTOR	1	X					0.	0.	0.
LINDA T. HUBBARD DIRECTOR	1	X					0.	0.	0.
ARTHUR SMITH DIRECTOR	1	X					0.	0.	0.
SARAH LEVINE DIRECTOR	1	X					0.	0.	0.
BARRY MENUEZ DIRECTOR	1	X					0.	0.	0.
BRENDA MOORE-FRAZIER DIRECTOR	1	X					0.	0.	0.
MARY C. MORRIS DIRECTOR	1	X					0.	0.	0.
DIANA SALSBERG DIRECTOR	1	X					0.	0.	0.
ELAYNE SEAMAN DIRECTOR	1	X					0.	0.	0.
JANET SILVESTRI DIRECTOR	1	X					0.	0.	0.
DR. MARY LOUISE VAN WINKLE DIRECTOR	1	X					0.	0.	0.
KATHERINE BUSH DIRECTOR	1	X					0.	0.	0.
HENRY J. RODGERS PAST PRESIDENT	2			X			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	Former	
MICKEY STEIMAN, ESQ.								
VICE PRESIDENT	2			X				0.
PETER LUMB								
SECRETARY	2			X				0.
CYNTHIA PETROVITS								
VICE PRESIDENT	2			X				0.
MATTHEW KURDZIEL								
TREASURER	2			X				0.
TERESA QUINN								
PRESIDENT	2			X				0.
CAROLE WOLF								
EXECUTIVE DIREC	65			X		75,000.		0.

1b Total						75,000.		0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 0

	Yes	No
3		X
4		X
5		X

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

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
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 0

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	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a				
	b Membership dues.	1b				
	c Fundraising events ..	1c	80,232.			
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above.	1f	334,396.			
	g Noncash contribs included in lns 1a-1f:		\$			
	h Total. Add lines 1a-1f			► 414,628.		
PROGRAM SERVICE REVENUE		Business Code				
	2a PROGRAM SERVICE REVENUE		424,313.	424,313.		
	b OTHER INCOME		4,413.	4,413.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f			► 428,726.		
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		125.		125.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real	(ii) Personal			
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less: cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a 107,362.					
b Less: direct expenses	b 53,124.					
c Net income or (loss) from fundraising events		► 54,238.	54,238.			
9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue	Business Code					
11a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d			► 897,717.	482,964.	0.	
12 Total revenue. See instructions					125.	

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				
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	360,865.	311,371.	35,934.	13,560.
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				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Prof fundraising svcs. See Part IV, ln 17				
f Investment management fees	218,363.	203,879.	11,099.	3,385.
g Other	15,905.	13,837.	1,591.	477.
12 Advertising and promotion				
13 Office expenses	3,620.	2,140.	1,371.	109.
14 Information technology				
15 Royalties				
16 Occupancy	47,467.	42,804.	4,400.	263.
17 Travel	27,299.	25,617.	1,682.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	13,684.	11,966.	1,342.	376.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	48,329.	42,046.	4,833.	1,450.
23 Insurance	16,816.	14,630.	2,186.	
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 SUPPLIES	43,186.	39,299.	3,887.	
b PRINTING AND PUBLICATIONS	19,834.	17,256.	1,983.	595.
c REPAIRS & MAINTENANCE	18,692.	14,774.	3,430.	488.
d BANK & CREDIT CARD FEES	9,003.	8,103.	900.	
e TELEPHONE	8,275.	7,199.	828.	248.
f All other expenses	23,604.	15,481.	4,043.	4,080.
25 Total functional expenses. Add lines 1 through 24f	874,942.	770,402.	79,509.	25,031.
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
ASSETS	1 Cash – non-interest-bearing	97,053.	1	67,822.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	8,010.	3	103,724.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees 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	4,693.	9	4,788.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	1,131,795.		
	b Less: accumulated depreciation	10b 347,336.	832,788.	10c 784,459.
	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	14,355.	15	15,460.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	956,899.	16	976,253.
LIABILITIES	17 Accounts payable and accrued expenses	28,995.	17	14,550.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial 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	277,158.	23	267,405.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	22,047.	25	42,824.
	26 Total liabilities. Add lines 17 through 25	328,200.	26	324,779.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.			
	27 Unrestricted net assets	598,120.	27	549,062.
	28 Temporarily restricted net assets	30,579.	28	102,412.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	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 Total net assets or fund balances	628,699.	33	651,474.
	34 Total liabilities and net assets/fund balances	956,899.	34	976,253.

BAA

Form 990 (2009)

1 Accounting method used to prepare the Form 990: Cash Accrual Other

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.

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 line 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?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

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? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

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

BAA

Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

2009

**Open to Public
Inspection**

**Department of the Treasury
Internal Revenue Service**

Name of the organization

MILL STREET LOFT, INC.

Employer identification number

22-2538177

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

Yes	No

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organizations.

Total

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

Schedule A (Form 990 or 990-EZ) 2009

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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants.')						
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						
3 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.						
4 Total. Add lines 1-through 3						
5 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)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)						12
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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%

16a 33-1/3 support test – 2009. 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 – 2008. 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 – 2009 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 – 2008. 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

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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants.')	631,801.	579,281.	414,368.	339,739.	414,628.	2,379,817.
2 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	449,074.	434,705.	444,495.	465,790.	482,964.	2,277,028.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
6 Total. Add lines 1 through 5	1,080,875.	1,013,986.	858,863.	805,529.	897,592.	4,656,845.
7a Amounts included on lines 1, 2, 3 received from disqualified persons	0.	0.	0.	0.	0.	0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the amount on line 13 for the year	0.	0.	0.	0.	0.	0.
c Add lines 7a and 7b	0.	0.	0.	0.	0.	0.
8 Public support (Subtract line 7c from line 6)						4,656,845.

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	1,080,875.	1,013,986.	858,863.	805,529.	897,592.	4,656,845.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			6,860.	2,435.	125.	9,420.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0.
c Add lines 10a and 10b	0.	0.	6,860.	2,435.	125.	9,420.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0.
13 Total support. (add lines 9, 10c, 11, and 12)						4,666,265.
14 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						<input checked="" type="checkbox"/>

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	99.8 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	99.8 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	0.2 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	0.2 %
19a 33-1/3 support tests – 2009. 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 stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33-1/3 support tests – 2008. 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 stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions		<input checked="" type="checkbox"/>

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

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered 'Yes' to Form 990,
Part IV, lines 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions

OMB No 1545-0047

2009**Open to Public
Inspection**

Name of the organization

MILL STREET LOFT, INC.

Employer identification number

22-2538177

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 for any other purpose conferring 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 through 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 tax 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, handling of violations, and enforcement of the conservation easement it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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, 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 acquisition 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
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

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 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.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance.					
b Contributions					
c Net Investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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?

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

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

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) Accumulated Depreciation	(d) Book Value
1a Land		94,844.		94,844.
b Buildings		359,689.	40,465.	319,224.
c Leasehold improvements		547,756.	186,640.	361,116.
d Equipment		129,506.	120,231.	9,275.
e Other				

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ► 784,459.

BAA

Schedule D (Form 990) 2009

Part VII Investments—Other Securities See Form 990, Part X, line 12. **N/A**

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives ...		
Closely-held equity interests...		
Other _____		

Part VIII Investments—Program Related (See Form 990, Part X, line 13) **N/A**

Part IX Other Assets (See Form 990, Part X, line 15) **N/A**

Total. (Column (b) must equal Form 990, Part X, col (B), line 15)

Part X Other Liabilities (See Form 990, Part X, line 25)

(a) Description of Liability	(b) Amount
Federal Income Taxes	
CAPITAL LEASE	14,289.
REFUNDABLE ADVANCE	28,535.

2. FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

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

1 Total revenue (Form 990, Part VIII, column (A), line 12).	897,717.
2 Total expenses (Form 990, Part IX, column (A), line 25)	874,942.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	22,775.
4 Net unrealized gains (losses) on investments	
5 Donated services and use of facilities	
6 Investment expenses	
7 Prior period adjustments	
8 Other (Describe in Part XIV)	
9 Total adjustments (net). Add lines 4 through 8	
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	22,775.

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

1 Total revenue, gains, and other support per audited financial statements	1	897,717.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	897,717.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	897,717.

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

1 Total expenses and losses per audited financial statements	1	874,942.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIV)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	874,942.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investments expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	874,942.

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, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Part XIV Supplemental Information (continued)

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 FRIENDS OF THE (event type)	(b) Event #2 ALUMNI AUCTION (event type)	(c) Other Events (total number)	(d) Total Events (Add col. (a) through col. (c))
	1 Gross receipts ..	102,037.	5,325.		107,362.
	2 Less: Charitable contributions ..				
	3 Gross income (line 1 minus line 2)	102,037.	5,325.		107,362.
DIRECT EXPENSES	4 Cash prizes ..				
	5 Noncash prizes ...				
	6 Rent/facility costs ..				
	7 Food and beverages ..				
	8 Entertainment ..				
	9 Other direct expenses ..	53,124.			53,124.
	10 Direct expense summary. Add lines 4- through 9 in column (d)				53,124.
	11 Net income summary. Combine lines 3, column (d) and line 10				54,238.

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, column (d) and line 7				

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

	YES	NO
13a	%	
13b	%	

14 Enter 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 of the third party:

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?

17a

- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**

OMB No 1545-0047

2009**Open to Public
Inspection**

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990.

Name of the organization

MILL STREET LOFT, INC.

Employer identification number

22-2538177**FORM 990, PART VI, LINE 11 - FORM 990 REVIEW PROCESS**NO REVIEW WAS OR WILL BE CONDUCTED.**FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS**ANNUAL WRITTEN CONFIRMATIONS FROM BOARD MEMBERS ARE COMPLETED REGARDING ANY
POTENTIAL CONFLICTS.

Name of the organization

MILL STREET LOFT, INC.

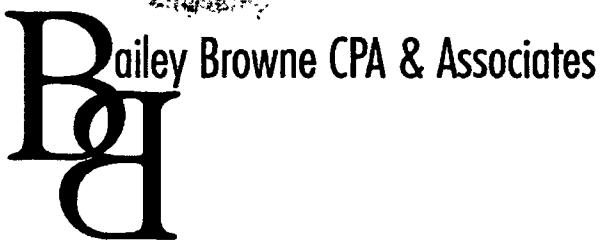
Employer identification number

22-2538177

MILL STREET LOFT, INC
FINANCIAL REPORT
DECEMBER 31, 2009

MILL STREET LOFT, INC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mill Street Loft, Inc.
45 Pershing Avenue
Poughkeepsie, NY 12601

We have audited the accompanying statement of financial position of Mill Street Loft, Inc. (a non-profit organization) as of December 31, 2009 and 2008 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Mill Street Loft, Inc.'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mill Street Loft, Inc. as of December 31, 2009 and 2008 and the results of its activities, functional expenses and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Bailey Browne CPA & Associates

Bailey Browne CPA & Associates

Poughkeepsie, NY
April 7, 2010

80 Washington Street, Suite 202
Poughkeepsie, NY 12601
(845) 485-6200
(845) 485-6400
dbb@dbbcpas.com

MILL STREET LOFT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 and 2008
SEE INDEPENDENT AUDITOR'S REPORT

	2009	2008
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 47,822	\$ 92,053
Cash, Restricted	<u>20,000</u>	<u>5,000</u>
Total Cash and Cash Equivalents	<u>67,822</u>	<u>97,053</u>
Grants Receivable	102,724	7,010
Pledge Receivable – Capital Fund	1,000	1,000
Prepaid Expenses	<u>4,788</u>	<u>4,693</u>
Total Current Assets	<u>176,334</u>	<u>109,756</u>
Non-Current Assets:		
Artwork Collection	15,460	14,355
Property, Plant, and Equipment - Net	<u>784,459</u>	<u>832,788</u>
Total Non-Current Assets	<u>799,919</u>	<u>847,143</u>
Total Assets	<u>\$ 976,253</u>	<u>\$ 956,899</u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 14,550	\$ 28,995
Refundable Advances	<u>28,535</u>	<u>4,915</u>
Current Portion Of Obligations Under Capital Lease	3,086	2,900
Current Portion of Mortgage Payable	<u>10,836</u>	<u>10,373</u>
Total Current Liabilities	<u>57,007</u>	<u>47,183</u>
Long-Term Liabilities:		
Obligations Under Capital Lease, Less Current Portion	11,203	14,232
Mortgage Payable, Less Current Portion	<u>256,569</u>	<u>266,785</u>
Total Long-Term Liabilities	<u>267,772</u>	<u>281,017</u>
Total Liabilities	<u>324,779</u>	<u>328,200</u>
Net Assets:		
Unrestricted – Operating	549,062	598,120
Temporarily Restricted – Operating	<u>98,000</u>	<u>5,000</u>
Temporarily Restricted – Capital Fund	<u>4,412</u>	<u>25,579</u>
Total Net Assets	<u>651,474</u>	<u>628,699</u>
Total Liabilities and Net Assets	<u>\$ 976,253</u>	<u>\$ 956,899</u>

See Notes to Financial Statements.

MILL STREET LOFT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009
SEE INDEPENDENT AUDITOR'S REPORT

	Unrestricted	Temporarily Restricted	Total 2009
Revenue and Other Support:			
Program Service Fees	\$ 424,313	\$ -	\$ 424,313
Contributions and Grants	80,232	333,396	413,628
Capital Fund Contributions	-	1,000	1,000
Special Events, Net of Direct Expenses of \$53,124	54,238	-	54,238
Interest Income – Capital	-	125	125
Other Income	4,413	-	4,413
Net Assets Released from Restrictions	<u>262,688</u>	<u>(262,688)</u>	<u>-</u>
Total Revenue and Other Support	<u>825,884</u>	<u>71,833</u>	<u>897,717</u>
Expenses			
Program Services	<u>770,402</u>	<u>-</u>	<u>770,402</u>
Support Services:			
Management and General	83,859	-	83,859
Fundraising	20,681	-	20,681
Supporting Services Total	<u>104,540</u>	<u>-</u>	<u>104,540</u>
Total Expenses	<u>874,942</u>	<u>-</u>	<u>874,942</u>
Change in Net Assets	(49,058)	71,833	22,775
Net Assets, Beginning of Year	<u>598,120</u>	<u>30,579</u>	<u>628,699</u>
Net Assets, End of Year	<u>\$ 549,062</u>	<u>\$ 102,412</u>	<u>\$ 651,474</u>

See Notes to Financial Statements.

MILL STREET LOFT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
SEE INDEPENDENT AUDITOR'S REPORT

	Unrestricted	Temporarily Restricted	Total 2008
Revenue and Other Support:			
Program Service Fees	\$ 397,910	\$ -	\$ 397,910
Contributions and Grants	58,148	277,294	335,442
Capital Fund Contributions	-	4,297	4,297
Special Events, Net of Direct Expenses of \$70,028	67,277	300	67,577
Interest Income – Capital	-	2,435	2,435
Other Income	303	-	303
Net Assets Released from Restrictions	385,822	(385,822)	-
 Total Revenue and Other Support	 909,460	 (101,496)	 807,964
 Expenses			
Program Services	864,404	-	864,404
Support Services:			
Management and General	93,080	-	93,080
Fundraising	17,238	-	17,238
Supporting Services Total	110,318	-	110,318
 Total Expenses	 974,722	 -	 974,722
 Change in Net Assets	 (65,262)	 (101,496)	 (166,758)
 Net Assets, Beginning of Year	 663,382	 132,075	 795,457
 Net Assets, End of Year	 \$ 598,120	 \$ 30,579	 \$ 628,699

See Notes to Financial Statements.

MILL STREET LOFT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009
SEE INDEPENDENT AUDITOR'S REPORT

	Supporting Services			Total 2009
	Program Services	Management & General	Fund Raising	
Salaries and Wages	\$ 274,321	\$ 31,800	\$ 12,000	\$ 318,121
Fringe Benefits	37,050	4,134	1,560	42,744
Total Personnel and Related Costs	311,371	35,934	13,560	360,865
Professional Fees	203,879	14,484	-	218,363
Supplies	39,299	3,887	-	43,186
Telephone	7,199	828	248	8,275
Postage and Shipping	4,285	493	148	4,926
Printing	17,256	1,983	595	19,834
Advertising	13,837	2,068	-	15,905
Occupancy	42,804	4,400	263	47,467
Insurance	14,630	2,186	-	16,816
Travel and Conference	25,617	1,682	-	27,299
Photo and Video	1,111	-	-	1,111
Technology	2,140	1,371	109	3,620
Interest Expense and Fees	1,057	88	-	1,145
Mortgage Interest	10,909	1,254	376	12,539
Dues and Subscriptions	425	1,166	-	1,591
Equipment and Equipment Rental	2,380	1,376	-	3,756
Moving Costs	4,673	-	-	4,673
Repairs and Maintenance	14,774	3,918	-	18,692
Community Outreach	-	1,008	3,932	4,940
Bank and Credit Card Fees	8,103	900	-	9,003
Miscellaneous	2,607	-	-	2,607
Total Expenses Before Depreciation	728,356	79,026	19,231	826,613
Depreciation Expense	42,046	4,833	1,450	48,329
Total Expenses	\$ 770,402	\$ 83,859	\$ 20,681	\$ 874,942

See Notes to Financial Statements

MILL STREET LOFT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008
SEE INDEPENDENT AUDITOR'S REPORT

	Supporting Services			
	Program Services	Management & General	Fund Raising	Total 2008
Salaries and Wages	\$ 328,165	\$ 39,800	\$ 10,000	\$ 377,965
Fringe Benefits	51,074	5,871	1,761	58,706
Total Personnel and Related Costs	379,239	45,671	11,761	436,671
Professional Fees	236,366	13,272	-	249,638
Supplies	41,959	4,662	-	46,621
Telephone	8,505	978	293	9,776
Postage and Shipping	6,315	726	218	7,259
Printing	18,918	2,175	655	21,748
Advertising	16,970	2,600	-	19,570
Occupancy	34,517	5,158	-	39,675
Insurance	16,240	2,427	-	18,667
Travel and Conference	8,275	1,236	-	9,511
Photo and Video	2,505	288	86	2,879
Technology	1,870	215	64	2,149
Interest Expense and Fees	1,914	-	-	1,914
Mortgage Interest	10,689	1,229	368	12,286
Dues and Subscriptions	-	1,396	-	1,396
Equipment and Equipment Rental	11,036	856	-	11,892
Moving Costs	5,816	-	-	5,816
Repairs and Maintenance	14,322	2,145	-	16,467
Annual Appeal Expense	-	-	386	386
Community Outreach	-	1,935	1,935	3,870
Bank and Credit Card Fees	6,268	937	-	7,205
Capital Funds Expense	664	76	23	763
Miscellaneous	-	268	-	268
Total Expenses Before Depreciation	822,388	88,250	15,789	926,427
Depreciation Expense	42,016	4,830	1,449	48,259
Total Expenses	\$ 864,404	\$ 93,080	\$ 17,238	\$ 974,722

See Notes to Financial Statements

MILL STREET LOFT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009
SEE INDEPENDENT AUDITOR'S REPORT

	2009	2008
Cash Flows from Operating Activities:		
Change in Net Assets	\$ <u>22,775</u>	\$ <u>(166,758)</u>
Adjustments to Reconcile Change in Net Assets		
To Net Cash Provided by/(Used in) Operating Activities:		
Depreciation	<u>48,329</u>	48,295
Change in Working Capital Components:		
(Increase)/Decrease in:		
Grants Receivable	<u>(95,714)</u>	(1,472)
Promises to Give	-	70,000
Pledge Receivable – Capital Fund	-	(1,000)
Prepaid Expenses	<u>(95)</u>	(987)
Increase/(Decrease) in:		
Accounts Payable and Accrued Expenses	<u>(14,445)</u>	(10,305)
Refundable Advances	<u>23,620</u>	<u>(28,765)</u>
Total Adjustments	<u><u>(38,305)</u></u>	<u><u>75,766</u></u>
Net Cash Provided by /(Used in) Operating Activities	<u><u>(15,530)</u></u>	<u><u>(90,992)</u></u>
Cash Flows from Investing Activities:		
Cash Restrictions for Program Activities	<u>(15,000)</u>	20,700
Purchases of Property and Equipment	<u>(1,105)</u>	<u>(16,205)</u>
Net Cash Provided by /(Used in) Investing Activities	<u><u>(16,105)</u></u>	<u><u>4,495</u></u>
Cash Flows from Financing Activities:		
Net Proceeds/Payments of Obligations Under Capital Leases	<u>(2,843)</u>	(2,394)
Net Proceeds/Payments of Mortgage Payable	<u>(9,753)</u>	<u>(10,005)</u>
Net Cash Provided by/(Used in) Financing Activities	<u><u>(12,596)</u></u>	<u><u>(12,399)</u></u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(44,231)</u>	<u>(98,896)</u>
Cash and Cash Equivalents – January 1	<u><u>92,053</u></u>	<u><u>190,949</u></u>
Cash and Cash Equivalents – December 31	<u><u>\$ 47,822</u></u>	<u><u>\$ 92,053</u></u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for Interest	<u><u>\$ 12,539</u></u>	<u><u>\$ 14,200</u></u>
Cash Paid for Income Taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Non-Cash Operating Activities:		
Donated Goods	<u><u>\$ 21,311</u></u>	<u><u>\$ 30,705</u></u>
Donated Services	<u><u>\$ 720</u></u>	<u><u>\$ 24</u></u>

See Notes to Financial Statements.

**MILL STREET LOFT, INC.
NOTES TO FINANCIAL STATEMENTS
SEE INDEPENDENT AUDITOR'S REPORT**

Note 1. Nature of Business and Significant Accounting Policies:

Nature of Business

Mill Street Loft, Inc. is a not-for-profit educational center for the Arts which provides educational, creative and culturally enriching programs using a multi-sensory approach. The Organization offers these multi-arts programs to children, adults and senior citizens on a year-round basis. The Mill Street Loft's support comes primarily from program service fees, contributions and grants.

Basis of Accounting

Mill Street Loft, Inc. uses the accrual method of accounting which recognizes income when it is earned and expenses as they are incurred.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no permanently restricted net assets for the years ending December 31, 2009 and 2008.

Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, Mill Street Loft, Inc. considers all highly liquid investments available for current unrestricted use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unrestricted contributions are reported as increases in unrestricted net assets. Grants and donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions, even if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction expires, that is, when a stipulated restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Nature of Business and Significant Accounting Policies, continued

donation, are recorded at their fair values in the period provided, in the support and expense sections of the statement of activities.

Grants and Pledges Receivable

The Organization has recorded as a receivable only those grants and pledges that it deems to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If receivables become uncollectible, they will be charged to expense when the determination is made by management. If the reserve method of accounting for uncollectible receivables were used, it would not have a material effect on the financial statements.

Fixed Assets

Fixed assets are stated at cost if purchased or at their estimated fair values on the date received if contributed. The Organization follows the practice of capitalizing all expenditures for equipment and furniture in excess of \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets; Buildings – 31 years, Building Improvements – 10 to 39 years, Equipment and Vehicles – 5 to 8 years. Any immaterial amount or amounts incurred as recurring expenditures for repairs are charged to expense. Depreciation expense amounted to \$48,329 and \$48,295 for the year ended December 31, 2009 and 2008 respectively.

Artwork Collection

In 2007, the Organization acquired a sculpture for permanent display. The Organization has recorded the cost of the sculpture as a capital asset which will not be depreciated and consistently applied throughout the reporting years.

Donated Fixed Assets

Donations of fixed assets are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with the explicit restrictions regarding their use are reported as restricted support. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense associated with the donated fixed assets.

Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities and in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

Capital Campaign

The Organization maintains a capital campaign to raise funds for expansion of its building to include additional studios and an updated gallery. Capital campaign funds are unrestricted and temporarily restricted and are presented as a separate fund balances in the statement of financial position.

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Nature of Business and Significant Accounting Policies, continued

Income Taxes

The Mill Street Loft, Inc. is organized under Section 402 of the Not-for-Profit Corporation Law of the State of New York. It has been granted exemption from federal and state income tax pursuant to Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 508(a).

Advertising Costs

The Organization expenses advertising costs as incurred. Amounts incurred for advertising were \$15,905 and \$19,570 for the year ended December 31, 2009 and 2008 respectively.

Note 2. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following as of December 31:

	2009	2008
Cash in Banks – Operating	\$ 5,372	\$ 27,119
Cash in Banks – Capital	3,326	25,698
Money Market Funds – Capital	38,724	38,686
Petty Cash Funds	400	550
	\$ 47,822	\$ 92,053

Note 4. Contributions and Grants Receivable:

During the year ended December 31, 2009 the organization received a three year promise to give from a Foundation. The receivable as of December 31, 2009 is temporarily restricted and collectible over a one to five year period. The receivable was recorded at its present value. The average rate used to discount the receivable to its present value (3%) is the risk free rate of return at December 31, 2009, based on the rate for the U.S. Treasury securities with similar maturity dates. The following is a summary of the contributions and grants discounted to net present value.

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Contributions and Grants Receivable, continued:

	Gross	Present Value
	\$ 109,724	\$ 102,724
Promises to Give		
Receivable in one year	59,724	59,724
Receivable in one to five years	50,000	43,000
Receivable in greater than five years	-	-
Total Promises to Give	\$ 109,724	\$ 102,724
Less: Discount to Net Present Value	7,000	-
Net Promises to Give at December 31, 2009	\$ 102,724	\$ 102,724

Note 5. Property and Equipment:

Property and equipment consisted of the following as of December 31, 2009:

	Operating	Capital	Total
	\$ -	\$ 94,844	\$ 94,844
Land	-	239,241	239,241
Land Improvements	-	647,159	653,849
Building and Building Improvements	6,690	93,720	100,861
Equipment	7,141	-	43,000
Vehicles	43,000	1,074,964	1,131,795
Less: Accumulated Depreciation	36,467	310,869	(347,336)
Property and Equipment - Net	\$ 20,364	\$ 764,095	\$ 784,459

Property and equipment consisted of the following as of December 31, 2008:

	Operating	Capital	Total
	\$ -	\$ 94,844	\$ 94,844
Land	-	239,242	239,242
Land Improvements	-	647,158	653,848
Building and Building Improvements	6,690	93,720	100,861
Equipment	7,141	-	43,000
Vehicles	43,000	1,074,964	1,131,795
Less: Accumulated Depreciation	(28,793)	(270,214)	(299,007)
Property and Equipment - Net	\$ 28,038	\$ 804,750	\$ 832,788

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Note 6. Line of Credit:

The Organization maintains a \$50,000 line of credit arrangement with a bank to provide for seasonal working capital requirements. Interest is calculated at the prime rate plus 1.5% (3.25% and 4.75% at December 31, 2009 and 2008, respectively). There was no outstanding balance on the line of credit for the years ended December 31, 2009 or 2008.

Note 7. Refundable Advances:

Refundable advances are funds received by the Organization that are to be used for future periods. Amounts comprising refundable advances are as follows for the year ended December 31:

Note 8. Lease Commitments:

In February 2007, the Organization entered into a loan agreement to purchase a vehicle. The loan is for \$22,000 and is payable in monthly principal and interest payments of \$325. The loan bears an interest rate of 6.25% for the life of the loan. This lease is considered to be a capital lease for accounting purposes, wherein at the end of the lease, the Organization retains ownership of the asset. At December, 31, 2009, the annual capital lease payments are as follows:

2010	\$	3,086
2011		3,285
2012		3,496
2013		3,720
2014		702
<hr/>		
Total	\$	<u>14,289</u>

Commercial Space

The Organization leases commercial space from others under month-to-month leasing arrangements with total monthly payments ranging from \$100 to \$350. In addition, the Organization rents space in various locations under short-term leasing arrangements throughout the year. None of the arrangements are long-term lease commitments. As of December 31, 2009 and 2008, rent expense was \$38,685 and \$29,570 respectively.

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Lease Commitments, continued:

Equipment

The Organization purchased telephone equipment under a sixty month lease that ended in August 2008 and automatically renewed to a month-to-month operating agreement. Monthly payments were \$69. Lease expense for the equipment was \$827 and \$896 for the year ended December 31, 2009 and 2008, respectively.

The Organization rents a postage meter under a lease that automatically renews every year. Monthly payments are \$33 plus usage fees. Lease expense for this equipment was \$396 and \$396 for the year ended December 31, 2009 and 2008, respectively.

Note 9. Loans Payable:

The Organization entered in to a loan agreement in July 2006 which has been converted into a \$300,000 mortgage payable to be paid over twenty years with a monthly principal and interest payment of \$1,858. The loan is secured by the premises at 45 Pershing Avenue. As of December 31, 2009 and 2008, the outstanding balance of the loan is \$267,405 and \$277,158, respectively. The loan bears interest at 4.375% for years one through four and then changes to the Federal Home Loan Rate plus 0.75% for the years five through twenty.

Maturities by year are as follows:

2010	\$ 10,836
2011	11,320
2012	11,825
2013	12,353
2014	12,904
Thereafter	<u>208,167</u>
 Total	 <u>267,405</u>

Note 10. Temporarily Restricted Net Assets:

Included in temporarily restricted net assets are funds received for restricted purposes. Temporarily restricted net assets consist of the following as of December 31:

Restricted to:	2009	2008
Operations	\$ 93,000	\$ -
Publishing Project - Operating	5,000	5,000
Building and Building Improvements - Capital	<u>4,412</u>	<u>25,575</u>
 Total	 <u>102,412</u>	 <u>30,579</u>

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Note 12. Contributions and Grants, continued:

Capital Fund contributions consisted of \$1,000 and 4,297 for the years ended December 31, 2009 and 2008, respectively.

Note 13. Special Events:

Included in the accompanying financial statements is income from general fund-raising and special events held during 2009 and 2008. The various fund-raising activities and the related income and expenses are as follows:

	2009		
	Revenue	Expenses	Net
T-Shirt Sales	\$ 3,839	\$ 2,292	\$ 1,547
Friends of the Arts	93,667	45,387	48,280
Alumni Auction	4,531	5,445	(914)
Other	5,325	-	5,325
Totals	\$ 107,362	\$ 53,124	\$ 54,238

	2008		
	Revenue	Expenses	Net
T-Shirt Sales	\$ 3,303	\$ 2,633	\$ 670
Friends of the Arts	119,741	52,542	67,199
Alumni Auction	10,140	9,619	521
Other	4,421	5,234	(813)
Totals	\$ 137,605	\$ 70,028	\$ 67,577

Donated auction items for fundraising events are recorded as corresponding revenue and expense under the applicable activity. The donated goods for the year ended December 31, 2009 and 2008 amounted to \$21,311 and \$30,655 respectively.

Note 14. Economic Dependency:

The Organization receives a substantial amount of its support from state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Note 15. Pension Plan:

The Organization maintains an employee only (salary reduction) contribution 403(b) pension plan. All employees are eligible to participate in the plan from their date of hire. Employee's can contribute any amount from their respective salary up to the current IRS limit.

MILL STREET LOFT, INC
NOTES TO FINANCIAL STATEMENTS, continued

Note 16. Uncertainties for Income Taxes:

The Organization's current accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Note 17. Subsequent Events Evaluation by Management:

Management has evaluated subsequent events for disclosure and/or recognition in the financial statement through the date that financial statements were available to be issued, which date is April 7, 2010. No significant events were noted.