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Form **990**

OMB No 1545-0047

Return of Organization Exempt From Income Tax**2009**Department of the Treasury
Internal Revenue ServiceUnder 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

Open to Public Inspection

For the 2009 calendar year, or tax year beginning 7/01, 2009, and ending 6/30, 2010

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		C Please use IRS label or print or type. See specific instructions. BROOKLYN ARTS COUNCIL, INC. 55 WASHINGTON STREET #218 BROOKLYN, NY 11201	D Employer Identification Number 23-7072915
		E Telephone number 718-625-0080	G Gross receipts \$ 2,542,126.
F Name and address of principal officer SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'No,' attach a list (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: ▶ WWW.BROOKLYNARTSCOUNCIL.ORG			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of Formation 1966	M State of legal domicile NY

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)		
	4	Number of independent voting members of the governing body (Part VI, line 1b)		
	5	Total number of employees (Part V, line 2a)		
	6	Total number of volunteers (estimate if necessary)		
	Revenue	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	
7b		Net unrelated business taxable income from Form 990-T, line 34		
8		Prior Year	Current Year	
9		2,147,558.	2,155,702.	
10		483,117.	320,477.	
11		5,586.	4,001.	
12		37,989.	38,799.	
13		2,674,250.	2,518,979.	
Expenses		14	355,646.	343,297.
		15	1,204,770.	1,219,464.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	17	b Total fundraising expenses (Part IX, column (A), line 25) ▶ 215,719.		
	18	1,072,941.	932,575.	
	19	2,633,357.	2,495,336.	
	20	40,893.	23,643.	
Net Assets or Fund Balances	21	Beginning of Year	End of Year	
	22	1,124,267.	1,159,502.	
	23	69,600.	81,192.	

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 an examination of the information of which preparer has any knowledge.	
	▶ <u>Thomas F. Schutte</u> Signature of officer	1/25/11 Date
Paid Preparer's Use Only	▶ <u>THOMAS F. SCHUTTE, CHAIRMAN</u> Type or print name and title	
	Preparer's signature <u>JOEL QUIRK</u>	Date 1/07/11
	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) N/A	
	Firm's name (or yours if self-employed), address, and ZIP + 4 <u>LOEWENWARTER & CO, LLP</u> <u>200 OLD COUNTRY ROAD, SUITE 274</u> <u>MINEOLA, NY 11501</u>	
EIN ▶ N/A Phone no ▶ (516) 739-9777		

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.

TEEA0113L 12/29/09 Form 990 (2009)

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Part III Statement of Program Service Accomplishments

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 \$ 860,445. including grants of \$) (Revenue \$ 127,882.)

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

4b (Code:) (Expenses \$ 485,982. including grants of \$) (Revenue \$ 143,640.)

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.

4c (Code:) (Expenses \$ 446,503. including grants of \$ 441,430.) (Revenue \$ 4,612.)

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. TWO-HUNDRED AND TWO GRANTS WERE AWARDED TO BROOKLYN ARTISTS, ARTS AND COMMUNITY ORGANIZATIONS.

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

(Expenses \$ 269,692. including grants of \$) (Revenue \$ 43,618.)

4e Total program service expenses ▶ 2,062,622.

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 Section 501(c)(3) organizations Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
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		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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
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	X	
• 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 X		
12 Did the organization obtain separate, independent audited financial statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
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		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 United States?		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 United States? 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 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		X
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	X	
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		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		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? <i>If 'Yes,' complete Schedule I, Parts I and II</i>		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? <i>If 'Yes,' complete Schedule I, Parts I and III</i>	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? <i>If 'Yes,' complete Schedule J</i>		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? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
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? <i>If 'Yes,' complete Schedule L, Part I</i>		X
25b 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? <i>If 'Yes,' complete Schedule L, Part I</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? <i>If 'Yes,' complete Schedule L, Part II</i>		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? <i>If 'Yes,' complete Schedule L, Part III</i>		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)		
28a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
28c 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? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
30 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
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
32 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
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? <i>If 'Yes,' complete Schedule R, Part I</i>		X
34 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
35 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
36 Section 501(c)(3) organizations. 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
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? <i>If 'Yes,' complete Schedule R, Part VI</i>		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		X

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Form 990 (2009)

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	103		
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?	X	
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	213		
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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
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)?		X
4b	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		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
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?		X
6b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	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?		X
7b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If 'Yes,' indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
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?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make any distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from other members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		

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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

	Yes	No
1a Enter the number of voting members of the governing body	20	
1b Enter the number of voting members that are independent		
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?		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?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	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		X

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

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
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?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990 SEE SCHEDULE O		
12a Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	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	X	
b Other officers of key employees of the organization SEE SCHEDULE O	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a 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 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. 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
		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.
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 A. PEMBERTON TRUSTEE	1							0.	0.	0.
ADA RODRIGUEZ 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
CARL SELF TRUSTEE	1							0.	0.	0.
SHARON E. SIMMONS TRUSTEE	1							0.	0.	0.
DONNA WALKER-KUHNE TRUSTEE	1							0.	0.	0.
THOMAS FORDHAM FINANCE DIRECTOR	35					X		80,000.	0.	0.
TRICIA MIRE MANAGING DIRECTOR	35					X		100,000.	0.	0.
CAROL STERLING ARTS IN ED DIR.	35					X		65,000.	0.	0.
KAY TURNER FOLK ARTS DIR.	35					X		63,000.	0.	0.
COURTNEY WENDROFF EXECUTIVE ASST.	35					X		56,000.	0.	0.
1 b Total								364,000.	0.	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**

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

	Yes	No
3		X
4		X
5		X

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	171,710.

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 **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
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	1,647,327.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	508,375.			
	g Noncash contribns included in lns 1a-1f	\$				
	h Total. Add lines 1a-1f		2,155,702.			
PROGRAM SERVICE REVENUE	Business Code					
	2a CONTRACT SERVICES	900099	176,837.	176,837.		
	b CONDUIT SERVICES	900099	143,640.	143,640.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		320,477.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		4,001.	4,001.		
	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	61,946.			
	b Less: direct expenses	b	23,147.			
	c Net income or (loss) from fundraising events		38,799.	38,799.		
	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						
12 Total revenue. See instructions		2,518,979.	363,277.	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	343,297.	343,297.		
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	1,055,387.	852,904.	97,183.	105,300.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	55,346.	39,484.	7,988.	7,874.
10 Payroll taxes	108,731.	87,870.	10,012.	10,849.
11 Fees for services (non-employees)				
a Management				
b Legal	728.		728.	
c Accounting	11,000.		11,000.	
d Lobbying				
e Prof fundraising svcs. See Part IV, ln 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	45,782.	24,379.	18,294.	3,109.
14 Information technology				
15 Royalties				
16 Occupancy	68,438.	45,217.	10,204.	13,017.
17 Travel	10,158.	5,363.	4,727.	68.
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	5,172.		5,172.	
23 Insurance	18,879.	12,460.	2,832.	3,587.
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 CONSULTANTS	275,210.	169,584.	34,977.	70,649.
b CONTRACT ARTISTS, ETC.	269,733.	269,733.		
c PROGRAM SUPPLIES AND RENTAL	90,373.	89,773.	600.	
d PRINTING AND PUBLICATIONS	77,539.	76,045.	1,087.	407.
e MEETING AND WORKSHOP COSTS	44,589.	43,529.	1,060.	
f All other expenses	14,974.	2,984.	11,131.	859.
25 Total functional expenses. Add lines 1 through 24f	2,495,336.	2,062,622.	216,995.	215,719.
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		1	
	2 Savings and temporary cash investments	397,164.	2	589,285.
	3 Pledges and grants receivable, net	348,312.	3	254,687.
	4 Accounts receivable, net	228,816.	4	161,048.
	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	29,092.	9	36,536.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 143,825.		
	b Less accumulated depreciation.	10b 25,879.	10c	117,946.
	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 Total assets Add lines 1 through 15 (must equal line 34)	1,124,267.	16	1,159,502.	
LIABILITIES	17 Accounts payable and accrued expenses	69,600.	17	38,165.
	18 Grants payable		18	43,027.
	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		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	69,600.	26	81,192.
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	464,406.	27	465,309.
	28 Temporarily restricted net assets	590,261.	28	613,001.
	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	1,054,667.	33	1,078,310.
	34 Total liabilities and net assets/fund balances.	1,124,267.	34	1,159,502.

BAA

Form 990 (2009)

Part XI Financial Statements and Reporting

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.

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

2009

Open to Public Inspection

Name of the organization

BROOKLYN ARTS COUNCIL, INC.

Employer identification number

23-7072915

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.)

- 1 ☐ A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 ☐ A hospital or cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 9 ☐ An organization that normally receives (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
- a ☐ Type I b ☐ Type II c ☐ Type III – Functionally integrated d ☐ Type III– Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the supported organizations

[illegible]**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'.)	1,519,259.	1,982,037.	2,420,378.	2,131,864.	2,154,869.	10,208,407.
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
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.						0.
4 Total. Add lines 1-through 3	1,519,259.	1,982,037.	2,420,378.	2,131,864.	2,154,869.	10,208,407.
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)						0.
6 Public support. Subtract line 5 from line 4						10,208,407.

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	1,519,259.	1,982,037.	2,420,378.	2,131,864.	2,154,869.	10,208,407.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	15,995.	35,229.	29,443.	21,280.	4,830.	106,777.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 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.	38,799.	170,132.
11 Total support. Add lines 7 through 10						10,485,316.
12 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**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	97.4 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	97.5 %

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 ☐

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Schedule A (Form 990 or 990-EZ) 2009

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.")						
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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

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						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (add lines 9, 10c, 11, and 12.)						
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 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	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

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 ☐

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 ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

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

[illegible]

2009

SCHEDULE A, PART IV - SUPPLEMENTAL INFORMATION PAGE 5

CLIENT 19602

BROOKLYN ARTS COUNCIL, INC.

23-7072915

1/07/11

04 50PM

PART II, LINE 10 - OTHER INCOME

NATURE AND SOURCE	2009	2008	2007	2006	2005
NET BENEFIT INCOME	38,799.	37,989.	33,935.	59,409.	
TOTAL	<u>\$ 38,799.</u>	<u>\$ 37,989.</u>	<u>\$ 33,935.</u>	<u>\$ 59,409.</u>	<u>\$ 0.</u>

**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

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 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.

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

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

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) Accumulated Depreciation	(d) Book Value
1a Land				
b Buildings				
c Leasehold improvements	143,825.		25,879.	117,946.
d Equipment				
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				117,946.

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		
Total (Column (b) must equal Form 990 Part X, col. (B) line 12.)		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total (Column (b) must equal Form 990, Part X, Col. (B) line 13)		

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

(a) Description	(b) Book value
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	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25)	

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)	2,518,979.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2,495,336.
3	Excess or (deficit) for the year Subtract line 2 from line 1	23,643.
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	23,643.

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	2,518,979.
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	2,518,979.
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	2,518,979.

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

1	Total expenses and losses per audited financial statements	1	2,495,336.
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	2,495,336.
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	2,495,336.

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)*

Department of the Treasury
Internal Revenue Service

Complete if the organization answered 'Yes' to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

BROOKLYN ARTS COUNCIL, INC.

Employer identification number

23-7072915

Part I

Fundraising Activities. Complete if the organization answered 'Yes' to Form 990, Part IV, line 17
Form 990EZ filers are not required to complete this part

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

7

Mail solicitations

X

Internet and email solicitations

1

Phone solicitations

1

In-person solicitations

☒

Solicitation of non-government grants

X

Solicitation of government grants

☒

Special fundraising events

- 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

(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			
Total						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 ANNUAL BENEFIT (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
	1 Gross receipts	61,946.			61,946.
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)	61,946.			61,946.
DIRECT EXPENSES	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	5,878.			5,878.
	7 Food and beverages	7,692.			7,692.
	8 Entertainment	2,000.			2,000.
	9 Other direct expenses	7,577.			7,577.
	10 Direct expense summary Add lines 4- through 9 in column (d)				23,147.
	11 Net income summary Combine lines 3, column (d) and line 10				38,799.

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**13a** %**b** An outside facility**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?**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 ▶ \$ _____

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

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

► Attach to Form 990.

Employer identification number

23-7072915

Part II General Information on Grants and Assistance

-]]

SEE PART IV

Part VII **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered 'Yes' to Form 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

[illegible]

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

3 Enter total number of other organizations

○	○
▲	▲

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 22.
Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
SUPPORT FOR THE ARTS AND ADMINISTRATIVE					
PROJECTS FOR ARTISTS		343,297.			

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information

PART I, LINE 2 - GRANTMAKER'S DESCRIPTION OF HOW GRANTS ARE USED

ALL GRANTEES ARE REQUIRED TO SUBMIT FINAL REPORTS. BROOKLYN ARTS COUNCIL, INC. STAFF

MEMBERS ALSO PERFORM SITE VISITS, ATTENDING MANY OF THE FUNDED ARTS EVENTS.

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

2009

Department of the Treasury
Internal Revenue Service

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

Open to Public
Inspection

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. SPONSORS AN ANNUAL FILM
FESTIVAL THAT PRESENTS AND SERVES BROOKLYN-BASED FILM AND MEDIA ARTISTS.

FORM 990, PART VI, LINE 11 - 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.

Name of the organization

Employer identification number

BROOKLYN ARTS COUNCIL, INC.

23-7072915

Form **8868**

(Rev April 2009).

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File an
Exempt Organization Return**

OMB No 1545 1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns***Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	BROOKLYN ARTS COUNCIL, INC.	23-7072915
	Number, street, and room or suite number. If a P.O. box, see instructions	
	55 WASHINGTON STREET #218	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	BROOKLYN, NY 11201	

Check type of return to be filed (file a separate application for each return)

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ► BROOKLYN ARTS COUNCIL, INC.

Telephone No. ► (718) 625-0080 FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 11, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ☐ calendar year 20__ or
- ☒ tax year beginning 7/01, 20 09, and ending 6/30, 20 10

2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions**BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form 8868 (Rev 4-2009)

BROOKLYN ARTS COUNCIL, INC.

FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

BROOKLYN ARTS COUNCIL, INC.

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EXHIBIT D

Notes to Financial Statements



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

ERNEST D. LOEWENWARTER & CO. LLP
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1903

MEMBERS OF AICPA AND NYSSCPA

LONG ISLAND
200 Old Country Road, Suite 274
Mineola, New York 11501
516-739-9777 Fax 516-739-7388
Email - EDLLP@aol.com

NEW YORK CITY
250 West 57th Street, Suite 820
New York, New York 10107
212-265-3910, ext 18

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets of the Brooklyn Arts Council, Inc. as of June 30, 2010 and 2009 and the related statements of income, 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, 2010 and 2009 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 & CO. LLP
Certified Public Accountants

**Mineola, New York
October 4, 2010**

BROOKLYN ARTS COUNCIL, INC.BALANCE SHEETSJUNE 30, 2010 AND 2009

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:		
Cash & Short-Term Investments	\$ 589,285	\$ 397,164
Grants Receivable	254,687	348,312
Accounts Receivable	161,048	228,816
Prepaid Expenses and Other Receivables	<u>36,536</u>	<u>29,092</u>
Total Current Assets	<u>1,041,556</u>	<u>1,003,384</u>
NON-CURRENT ASSETS:		
Equipment, Furniture and Improvements	143,825	141,590
Less: Accumulated Depreciation	<u>(25,879)</u>	<u>(20,707)</u>
Total Non-Current Assets	<u>117,946</u>	<u>120,883</u>
Total	<u>\$1,159,502</u>	<u>\$1,124,267</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts Payable	54,671	47,349
Other Accrued Expenses	<u>26,521</u>	<u>22,251</u>
Total Current Liabilities	81,192	69,600
NET ASSETS:		
Unrestricted	465,309	464,406
Temporarily Restricted - Note 2	<u>613,001</u>	<u>590,261</u>
	<u>1,078,310</u>	<u>1,054,667</u>
Total	<u>\$1,159,502</u>	<u>\$1,124,267</u>

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

INCOME STATEMENTSFISCAL YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
REVENUES:				
Federal Grants	\$ 197,465	\$	\$ 197,465	\$ 91,406
State Grants	344,562		344,562	337,200
City Grants	1,105,300		1,105,300	1,100,789
Foundation Grants	67,211	77,289	144,500	361,400
Corporate Contributions	203,304	123,396	326,700	176,200
Individual & Private Contributions	9,972	450	10,422	12,618
Net Benefit Income	38,799		38,799	37,989
In-Kind Contributions - Note 2	26,753		26,753	52,251
Fiscal Sponsorship Income	138,674	4,966	143,640	165,160
Contract Service Income	176,837		176,837	317,957
Other Income	4,001		4,001	21,280
Net Assets Released from Restrictions	183,361	(183,361)	-0-	-0-
Total Revenues	2,496,239	22,740	2,518,979	2,674,250
EXPENSES:				
Program Services				
Arts in Education	860,445		860,445	944,257
Regrant Program	446,503		446,503	465,950
Technical and Referral Services	485,982		485,982	535,848
Folk Art Series	182,173		182,173	222,723
Arts Presentations	87,519		87,519	60,485
Total Program Services	2,062,622		2,062,622	2,229,263
Supporting Services:				
Management and General	216,995		216,995	226,074
Fund Raising	215,719		215,719	178,020
Total Expenses	2,495,336		2,495,336	2,633,357
CHANGE IN NET ASSETS	903	22,740	23,643	40,893
FUND BALANCE - Beginning of Year	464,406	590,261	1,054,667	1,013,774
FUND BALANCE - End of Year	<u>\$ 465,309</u>	<u>\$ 613,001</u>	<u>\$1,083,563</u>	<u>\$1,054,667</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, 2010 WITH

COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Arts-In-Education	Regrant Program	Technical Assistance &				Folk Art Series	Arts Presentation	Program Services	Management & General	Fund Raising	Year Ended June 30,			
			Referral Services	Arts	Presentation	Program Services						Management & General	Fund Raising	2010 Total	2009 Total
EXPENSES:															
Salaries and Wages															
Payroll Taxes and Employee Benefits	\$ 565,516	\$ 63,199	\$ 106,559	\$ 80,508	\$ 37,122	852,904	\$ 97,183	\$ 105,300	\$ 1,055,387	\$ 1,052,141					
	77,467	13,111	16,964	14,917	4,895	127,354	18,000	18,723	164,077	152,629					
Total Salaries and Related Costs															
	642,983	76,310	123,523	95,425	42,017	980,258	115,183	124,023	1,219,464	1,204,770					
Contract Artists, Performers and Instructors															
Consultants	63,246	0	174,924	21,675	9,888	269,733	0	0	269,733	367,024					
Office Expenses	38,621	9,086	92,703	17,467	11,707	169,584	34,977	70,649	275,210	296,786					
Printing, Advertising and Marketing	16,027	1,433	3,199	1,731	1,989	24,379	18,294	3,109	45,782	39,349					
Occupancy	11,168	4,643	23,005	30,768	6,461	76,045	1,087	407	77,539	73,102					
Equipment Leasing and Maintenance	17,813	5,481	13,017	6,166	2,740	45,217	10,204	13,017	68,438	67,380					
Program Supplies and Rental	1,175	362	859	407	181	2,984	11,131	859	14,974	46,566					
Insurance	57,860	350	17,050	4,304	10,209	89,773	600	-	90,373	85,735					
Conference and Development Cost	4,909	1,510	3,587	1,699	755	12,460	2,832	3,587	18,879	20,358					
Professional Fees	4,924	3,776	33,130	992	707	43,529	1,060	-	44,589	48,132					
Transportation Expenses	-	-	-	-	-	-	11,728	-	11,728	9,028					
Bad Debt Expense	1,719	255	985	1,539	865	5,363	4,727	68	10,158	11,031					
Regrants	-	-	-	-	-	-	-	-	-	3,502					
	-	343,297	-	-	-	343,297	-	-	343,297	355,646					
Total Expense Before Depreciation and Other Items															
	860,445	446,503	485,982	182,173	87,519	2,062,622	211,823	215,719	2,490,164	2,628,409					
Depreciation															
	-	-	-	-	-	-	5,172	-	5,172	4,948					
Total Expenses															
	\$ 860,445	\$ 446,503	\$ 485,982	\$ 182,173	\$ 87,519	\$ 2,062,622	\$ 216,995	\$ 215,719	\$ 2,495,336	\$ 2,633,357					

See Independent Auditors' Report.

The accompanying notes are an integral part of this statement.

BROOKLYN ARTS COUNCIL, INC.

STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (Decrease) in Net Assets	\$ 23,643	\$ 40,893
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Loss on Disposal of Old Equipment	5,172	4,948
Changes in Assets and Liabilities:		
(Increase) Decrease in Grants and Accounts Receivable	161,393	(18,358)
(Increase) in Prepaid Expenses	(7,444)	1,900
Increase (Decrease) in Accounts Payable and Accrued Expenses	<u>11,592</u>	<u>(27,786)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>194,356</u>	<u>1,597</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed Asset Purchases	<u>(2,235)</u>	<u>-0-</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(2,235)</u>	<u>-0-</u>
NET INCREASE (DECREASE) IN CASH	192,121	1,597
CASH AND CASH EQUIVALENTS - Beginning of Period	<u>397,164</u>	<u>395,567</u>
CASH AND CASH EQUIVALENTS - End of Period	<u><u>\$589,285</u></u>	<u><u>\$397,164</u></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, 2010 and 2009

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 in 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, 2010 and 2009

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 \$10,453 and \$41,811, respectively, for the periods ended June 30, 2010 and 2009. 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, 2010, BAC received an additional \$16,300 of In-Kind Contributions from other sources which were used to cover certain operating expenses.

In 2007, the City of New York made a commitment to provide an additional capital grant for as much as \$125,000 to purchase and install a new media capable networked computer system. Subsequent to the June 30, 2010 fiscal year end, in September 2010, the City delivered computer equipment to honor the commitment. The fair value of the computer equipment delivered is \$31,547.

Lease Expense

Long-term lease commitments are expensed as monthly lease payments come due. Rent expense for the years ended June 30, 2010 and 2009 was \$53,885 and \$52,786, 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

BROOKLYN ARTS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 and 2009

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.

5. 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, the Council is obligated to make future annual lease payments as follows:

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