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Return of Organization Exempt From Income Tax

2011

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

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

A For the 2011 calendar year, or tax year beginning 7/01, 2011, and ending 6/30, 2012

B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending. C ART IN ACTION, 3925 BOHANNON SUITE 300, MENLO PARK, CA 94025. D Employer Identification Number 94-3342383. E Telephone number 650-566-8339. G Gross receipts \$ 798,072.

F Name and address of principal officer: SAME AS C ABOVE. H(a) Is this a group return for affiliates? Yes No. H(b) Are all affiliates included? Yes No.

I Tax-exempt status: [X] 501(c)(3), [] 501(c) () (insert no.), [] 4947(a)(1) or [] 527.

J Website: WWW.ARTINATION.ORG. H(c) Group exemption number. K Form of organization: [X] Corporation, [] Trust, [] Association, [] Other. L Year of formation 1999. M State of legal domicile CA.

Part I Summary

1 Briefly describe the organization's mission or most significant activities: ART IN ACTION IGNITES STUDENTS' THINKING AND CREATIVITY BY PROVIDING ENGAGING VISUAL ARTS PROGRAMS THROUGH WHICH THEY LEARN ART HISTORY, APPRECIATION AND SKILLS. OUR VISION IS THAT ART IS AN INTEGRAL PART OF EVERY STUDENT'S EDUCATION, EMPOWERING THE NEXT GENERATION TO... 2 Check this box [] if the organization discontinued its operations or disposed of more than 25% of its net assets. 3 Number of voting members of the governing body (Part VI, line 1a) 3 14. 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 13. 5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 5 16. 6 Total number of volunteers (estimate if necessary) 6 225. 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 0. 7b Net unrelated business taxable income from Form 990-T, line 34 7b 0.

Revenue table with columns: Revenue, Prior Year, Current Year. Rows 8-12: 8 Contributions and grants (309,435 / 366,780), 9 Program service revenue (182,216 / 206,468), 10 Investment income (565 / 721), 11 Other revenue (147,747 / 125,035), 12 Total revenue (639,963 / 699,004).

Expenses table with columns: Expenses, Prior Year, Current Year. Rows 13-19: 13 Grants and similar amounts paid, 14 Benefits paid to or for members, 15 Salaries, other compensation, employee benefits (339,017 / 340,329), 16a Professional fundraising fees, b Total fundraising expenses (119,951), 17 Other expenses (167,328 / 260,471), 18 Total expenses (506,345 / 600,800), 19 Revenue less expenses (133,618 / 98,204).

Net Assets or Fund Balances table with columns: Net Assets or Fund Balances, Beginning of Current Year, End of Year. Rows 20-22: 20 Total assets (445,939 / 420,051), 21 Total liabilities (149,158 / 100,879), 22 Net assets or fund balances (296,781 / 319,172).

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 Elizabeth A. Grover, Date 2/11/13, Type or print name and title Elizabeth L. Grover, Board Chair.

Paid Preparer Use Only: Print/Type preparer's name DAVID P. HOLLAND, Preparer's signature David P. Holland, Date 2/12/13, Check self-employed, PTIN P00105990, Firm's name HOLLAND & ASSOCIATES CPAS, INC., Firm's address 250 CAMBRIDGE AVE., #101, PALO ALTO, CA 94306, Firm's EIN 27-0574945, Phone no (650) 326-9100.

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [] No

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

X

1 Briefly describe the organization's mission:

SEE SCHEDULE O

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 X

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 X

If 'Yes,' describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 357,960. including grants of \$) (Revenue \$)

PROVIDE VISUAL ARTS CURRICULUM FOR 40,000 STUDENTS IN 218 PUBLIC AND PRIVATE SCHOOLS, AFTER SCHOOL PROGRAMS, AND HOME SCHOOLS NATIONWIDE. TRAIN MORE THAN 3,000 TEACHERS AND PARENT VOLUNTEERS TO PRESENT EFFECTIVE AND EXCITING LESSONS THROUGH HANDS-ON AND VIRTUAL ONLINE TRAININGS. COORDINATE DISPLAY OF OVER 3,000 PIECES OF STUDENT ARTWORK IN COLLABORATION WITH SCHOOLS, PUBLIC LIBRARIES, AND LOCAL BUSINESSES. PROVIDE LESSON SPECIFIC ART MATERIALS NEEDED TO TEACH THE PROGRAM. WORK WITH MORE THAN 225 VOLUNTEERS TO PROVIDE OFFICE AND EVENT SUPPORT, ADVOCATE FOR ART EDUCATION, AND PACK ART MATERIALS FOR OUR SCHOOLS.

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 357,960.

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 (see instructions)?	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, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b 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		X
c 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		X
d 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		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	X	
f 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 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		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, Parts II and IV		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, Parts III and IV		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 (see instructions)		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 a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		

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
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a 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
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? <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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) 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
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b Did the organization receive any payment from or engage in any transaction with 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	

BAA

Form 990 (2011)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1 a 7		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1 b 0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2 a	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. 2 a 16		
2 b	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 (see instructions).	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3 b	If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		
4 a	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
4 b	If 'Yes,' enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	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
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7 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?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 7 d		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
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.		
9 a	Did the organization make any taxable distributions under section 4966?		
9 b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter.		
10 a	Initiation fees and capital contributions included on Part VIII, line 12. 10 a		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10 b		
11	Section 501(c)(12) organizations. Enter.		
11 a	Gross income from members or shareholders. 11 a		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). 11 b		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12 b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13 b		
13 c	Enter the amount of reserves on hand. 13 c		
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. 14 b		

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.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a	14	
b Enter the number of voting members included in line 1a, above, who are independent	1b	13	
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 governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?	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.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a	X
b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990 SEE SCHEDULE O		
12a Did the organization have a written conflict of interest policy? If 'No,' go to line 13	12a	X
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Did 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	12c	X
13 Did the organization have a written whistleblower policy?	13	X
14 Did 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	15a	X
b Other officers of key employees of the organization SEE SCHEDULE O If 'Yes' to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	X
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?	16a	X
b If 'Yes,' did the organization follow 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?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► CA
- 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 during the tax year. SEE SCHEDULE O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 ► KAELA FINE 3925 BOHANNON DR, STE 300 MENLO PARK CA 94025 650-566-8339

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

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.

- 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, if any. See instructions for definition of 'key employee.'
- 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) DENISE SHACKLETON CHAIR	3.5	X		X				0.	0.	0.
(2) ANNE CAMPBELL TREASURER	0.5	X		X				0.	0.	0.
(3) KATHLEEN CHRISTMAN DIRECTOR	0.5	X						0.	0.	0.
(4) MARY CARBULLIDO DIRECTOR	0.5	X						0.	0.	0.
(5) ANNE GARFINKEL DIRECTOR	0.5	X						0.	0.	0.
(6) JIM GARRISON DIRECTOR	6.5	X						0.	0.	0.
(7) ELIZABETH GROVER VICE PRESIDENT	1.5	X		X				0.	0.	0.
(8) JEANNE HEISE DIRECTOR	0.5	X						0.	0.	0.
(9) THOMAS HEMPEL DIRECTOR	1	X						0.	0.	0.
(10) SALLY PORTER DIRECTOR	0.5	X						0.	0.	0.
(11) CARMAN LEUNG DIRECTOR	0.5	X						0.	0.	0.
(12) JUDITH SLEETH EXECUTIVE DIREC	40	X						0.	0.	0.
(13) CELIA WALKER SECRETARY	0.5	X		X				0.	0.	0.
(14) LAURA MCHUGH DIRECTOR	0.25	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 (describe hours for related organizations in Sch O) or director	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(15) -----										
(16) -----										
(17) -----										
(18) -----										
(19) -----										
(20) -----										
(21) -----										
(22) -----										
(23) -----										
(24) -----										
(25) -----										
1 b Sub-total							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							0.	0.	0.	

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

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes' complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person</i>		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 Report compensation for the calendar year ending with or within the organization's tax year

(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	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c 66,717.				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 300,063.				
	g Noncash contributions included in lns 1a-1f: \$	12,044.				
	h Total. Add lines 1a-1f	▶ 366,780.				
PROGRAM SERVICE REVENUE	2 a SCHOOL PROGRAM		Business Code			
	b TRAINING		194,827.	194,827.		
	c TOUR INCOME		5,861.	5,861.		
	d		5,780.	5,780.		
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		▶ 206,468.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		▶ 721.		721.	
	4 Income from investment of tax-exempt bond proceeds		▶			
	5 Royalties		▶			
	6 a Gross rents	(i) Real	(ii) Personal			
		b Less rental expenses				
		c Rental income or (loss)				
		d Net rental income or (loss)	▶			
	7 a 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)	▶			
	8 a Gross income from fundraising events (not including \$ 66,717. of contributions reported on line 1c) See Part IV, line 18	a	51,431.			
		b Less direct expenses	b 23,258.			
		c Net income or (loss) from fundraising events	▶ 28,173.			28,173.
	9 a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses		b				
c Net income or (loss) from gaming activities		▶				
10 a Gross sales of inventory, less returns and allowances	a	172,672.				
	b Less cost of goods sold	b 75,810.				
	c Net income or (loss) from sales of inventory	▶ 96,862.	96,862.			
Miscellaneous Revenue		Business Code				
11 a	a					
	b					
	c					
	d All other revenue					
e Total. Add lines 11a-11d		▶				
12 Total revenue. See instructions		▶ 699,004.	303,330.	0.	28,894.	

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)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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 United States See Part IV, line 21				
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States 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	303,184.	188,840.	43,460.	70,884.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	650.	488.	97.	65.
9 Other employee benefits	11,514.	8,636.	1,727.	1,151.
10 Payroll taxes	24,981.	18,736.	3,747.	2,498.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	14,012.		14,012.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	1,448.	170.	413.	865.
12 Advertising and promotion	2,929.	2,328.	360.	241.
13 Office expenses	2,901.	2,176.	435.	290.
14 Information technology	1,275.	1,050.	135.	90.
15 Royalties				
16 Occupancy	70,624.	52,968.	10,593.	7,063.
17 Travel	2,996.	2,432.	218.	346.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,941.	1,550.	81.	310.
20 Interest	20.	15.	3.	2.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	8,237.	6,752.	891.	594.
23 Insurance	2,047.	448.	1,540.	59.
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a <u>OUTSIDE SERVICES</u>	81,311.	41,654.	16,460.	23,197.
b <u>RECRUITMENT COSTS</u>	23,615.	1,115.	22,500.	
c <u>SUPPLIES</u>	9,466.	7,290.	1,306.	870.
d <u>TELEPHONE</u>	9,322.	6,992.	1,398.	932.
e All other expenses	28,327.	14,320.	3,513.	10,494.
25 Total functional expenses. Add lines 1 through 24e	600,800.	357,960.	122,889.	119,951.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year		
ASSETS	1	Cash — non-interest-bearing	982.	1	6,486.	
	2	Savings and temporary cash investments	300,589.	2	311,698.	
	3	Pledges and grants receivable, net	66,183.	3	22,700.	
	4	Accounts receivable, net		4	4,536.	
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6		
	7	Notes and loans receivable, net		7		
	8	Inventories for sale or use	53,990.	8	55,389.	
	9	Prepaid expenses and deferred charges	3,369.	9	1,333.	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	54,201.		
	b	Less accumulated depreciation	10b	43,552.	10c	10,649.
	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	2,868.	14	260.	
	15	Other assets See Part IV, line 11	7,212.	15	7,000.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	445,939.	16	420,051.		
LIABILITIES	17	Accounts payable and accrued expenses		17	18,738.	
	18	Grants payable		18		
	19	Deferred revenue	148,861.	19	81,891.	
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	297.	25	250.	
	26	Total liabilities. Add lines 17 through 25	149,158.	26	100,879.	
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	296,781.	27	268,072.	
	28	Temporarily restricted net assets		28	51,100.	
	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, or equipment fund		31		
	32	Retained earnings, endowment, accumulated income, or other funds		32		
	33	Total net assets or fund balances	296,781.	33	319,172.	
	34	Total liabilities and net assets/fund balances	445,939.	34	420,051.	

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	699,004.
2	Total expenses (must equal Part IX, column (A), line 25)	2	600,800.
3	Revenue less expenses Subtract line 2 from line 1	3	98,204.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	296,781.
5	Other changes in net assets or fund balances (explain in Schedule O) SEE SCHEDULE O	5	-75,813.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	319,172.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

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 separate basis, consolidated 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		
3a		X
3b		

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SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization ART IN ACTION	Employer identification number 94-3342383
--------------------------------------------------	-----------------------------------------------------

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 a 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?

- (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?

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

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	149,550.	244,676.	160,405.	309,435.	300,063.	1,164,129.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0.
4 Total. Add lines 1 through 3	149,550.	244,676.	160,405.	309,435.	300,063.	1,164,129.
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)						335,265.
6 Public support. Subtract line 5 from line 4						828,864.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	149,550.	244,676.	160,405.	309,435.	300,063.	1,164,129.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	531.	441.	245.	565.	721.	2,503.
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	274,903.	106,064.	169,322.	224,490.	290,820.	1,065,599.
11 Total support. Add lines 7 through 10						2,232,231.
12 Gross receipts from related activities, etc (see instructions)					12	388,684.

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 2011 (line 6, column (f) divided by line 11, column (f)).	14	37.13 %
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	33.35 %

16a 33-1/3% support test – 2011. 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 – 2010. 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 – 2011. 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 – 2010. 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any 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, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 in 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 lns 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**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	%

19a 33-1/3% support tests – 2011. 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 – 2010. If the organization did not check a box on line 14 or line 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

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization

Employer identification number

ART IN ACTION

94-3342383

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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...?, 6 Did the organization inform all grantees...?

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

Table with 2 columns: Description, Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution..., 3 Number of conservation easements modified..., 4 Number of states where property subject to conservation easement is located..., 5 Does the organization have a written policy..., 6 Staff and volunteer hours devoted to monitoring..., 7 Amount of expenses incurred in monitoring..., 8 Does each conservation easement reported on line 2(d) above satisfy the requirements..., 9 In Part XIV, describe how the organization reports 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.

Table with 2 columns: Description, Amount. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958), 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; 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 (ASC 958) relating to these items.

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 the 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 the 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 current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

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

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

Description of property	(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				
d Equipment		49,272.	40,387.	8,885.
e Other		4,929.	3,165.	1,764.

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) 10,649.

BAA

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
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total (Column (b) must equal Form 990 Part X, column (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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total (Column (b) must equal Form 990, Part X, column (B) line 13) ▶		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total (Column (b) must equal Form 990, Part X, column (B), line 15) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) SECURITY DEPOSIT	250.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total (Column (b) must equal Form 990, Part X, column (B) line 25) ▶	250.

2 FIN 48 (ASC 740) 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 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		N/A
1	Total revenue (Form 990, Part VIII, column (A), line 12)	
2	Total expenses (Form 990, Part IX, column (A), line 25)	
3	Excess or (deficit) for the year Subtract line 2 from line 1	
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	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		N/A
1	Total revenue, gains, and other support per audited financial statements	1
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
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investment 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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		N/A
1	Total expenses and losses per audited financial statements	1
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
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment 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

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 II Fundraising Events. Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

REVENUE	(a) Event #1 LUNCHEON (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add column (a) through column (c))	
	1	Gross receipts	118,148.		118,148.
2	Less Charitable contributions	66,717.		66,717.	
3	Gross income (line 1 minus line 2)	51,431.		51,431.	
DIRECT EXPENSES	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	3,350.		3,350.
	7	Food and beverages	11,119.		11,119.
	8	Entertainment			
	9	Other direct expenses	8,789.		8,789.
	10	Direct expense summary Add lines 4 through 9 in column (d)			23,258.
11	Net income summary Combine line 3, column (d), and line 10			28,173.	

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 column (a) through column (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
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? Yes No

b If 'No,' explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If 'Yes,' explain _____

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545 0047

2011

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

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

ART IN ACTION

94-3342383

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

ART IN ACTION IGNITES STUDENTS' THINKING AND CREATIVITY BY PROVIDING ENGAGING VISUAL
ARTS PROGRAMS THROUGH WHICH THEY LEARN ART HISTORY, APPRECIATION AND SKILLS. OUR
VISION IS THAT ART IS AN INTEGRAL PART OF EVERY STUDENT'S EDUCATION, EMPOWERING THE
NEXT GENERATION TO EXPRESS UNIQUE IDEAS, EXPAND CULTURAL UNDERSTANDING, AND DEVELOP
THE CREATIVE CONFIDENCE TO ADDRESS THE CHALLENGES AND OPPORTUNITIES OF THE 21ST
CENTURY.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE EXECUTIVE DIRECTOR AND THE BUSINESS OPERATIONS DIRECTOR REVIEW THE FORM 990
PRIOR TO SIGNATURE AND MAILING.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

ORGANIZATION BYLAWS REQUIRE CONTINUOUS REVIEW OF TRANSACTIONS FOR CONFLICTS.

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

PER THE ORGANIZATION BYLAWS, OFFICERS ARE UNPAID

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

GOVERNING DOCUMENTS, FINANCIAL STATEMENTS AND TAX RETURNS ARE AVAILABLE FOR PUBLIC
INSPECTION UPON REQUEST.

FORM 990, PART XI, LINE 5
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

SECTION 481(A) ADJUSTMENT SEE ATTACHED FORM 3115

	\$	-75,813.
TOTAL	\$	<u>-75,813.</u>

Application for Change in Accounting Method

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions) 94-3342383	
ART IN ACTION		Principal business activity code number (see instructions)	
Number, street, and room or suite no. If a P O box, see the instructions 3925 BOHANNON SUITE 300		Tax year of change begins (MM/DD/YYYY)	7/01/2011
City or town, state, and ZIP Code MENLO PARK, CA 94025		Tax year of change ends (MM/DD/YYYY)	6/30/2012
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions) HEATHER MACDONALD	
		Contact person's telephone number (650) 566-8339	

If the applicant is a member of a consolidated group, check this box

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box

<p>Check the box to indicate the applicant.</p> <p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Controlled foreign corporation (Section 957)</p> <p><input type="checkbox"/> 10/50 corporation (Section 904(d)(2)(E))</p> <p><input type="checkbox"/> Qualified personal service corporation (Section 448(d)(2))</p> <p><input type="checkbox"/> Cooperative (Section 1381)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> S corporation</p> <p><input type="checkbox"/> Insurance company (Section 816(a))</p> <p><input type="checkbox"/> Insurance company (Section 831)</p> <p><input type="checkbox"/> Other (specify) _____</p>	<p>Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)</p> <p><input type="checkbox"/> Depreciation or Amortization</p> <p><input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions</p> <p><input type="checkbox"/> Other (specify) _____</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Exempt organization Enter Code section **501(C)(3)**

Caution: To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

Part I Information For Automatic Change Request	Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check 'Other,' and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. ▶ (a) Change No. <u>122</u> (b) Other <input type="checkbox"/> Description ▶ _____		
2 Do any of the scope limitations described in section 4.02 of Rev Proc 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If 'Yes,' attach an explanation		X

Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable)

Part II Information for All Requests	Yes	No
3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If 'Yes,' the applicant is not eligible to make the change under automatic change request procedures		X
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If 'No,' go to line 5		X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and, to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

<p><i>Elizabeth L. Grover</i> Signature and date Elizabeth L. Grover, Board Chair Name and title (print or type)</p>	<p><i>David P. Holland</i> Signature of individual preparing the application and date David P. Holland Name of individual preparing the application (print or type)</p>
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HOLLAND & ASSOCIATES CPAS, INC.
250 CAMBRIDGE AVE., #101
PALO ALTO, CA 94306
Name of firm preparing the application

Part II Information For All Requests (continued)

	Yes	No
<p>4c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?</p> <p>d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If 'Yes,' attach the consent statement from the director</p> <p>e Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If 'Yes,' check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day Date examination ended ▶ _____</p> <p>f If you answered 'Yes' to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____</p> <p>g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?</p>		
<p>5a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If 'Yes,' enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____</p> <p>b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?</p> <p>c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? If 'Yes,' attach an explanation</p>		X
<p>6 If the applicant answered 'Yes' to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court</p> <p>7 If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If 'Yes,' the applicant is not eligible to make the change.</p>		
<p>8a Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?</p> <p>b If 'Yes,' attach an explanation</p>		X
<p>9a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?</p> <p>b If 'Yes,' for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent</p> <p>c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, attach an explanation.</p>		X
<p>10a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?</p> <p>b If 'Yes,' for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s)</p>		X
<p>11 Is the applicant requesting to change its overall method of accounting? If 'Yes,' check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting Also, complete Schedule A on page 4 of this form</p> <p>Present method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)</p> <p>Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)</p>	X	

Part II Information For All Requests (continued)	Yes	No						
<p>12 If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following</p> <p>a The item(s) being changed</p> <p>b The applicant's present method for the item(s) being changed</p> <p>c The applicant's proposed method for the item(s) being changed.</p> <p>d The applicant's present overall method of accounting (cash, accrual, or hybrid)</p>								
<p>13 Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe whether each trade or business is accounted for separately, the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income, the overall method of accounting for each trade or business, and which trade or business is requesting to change its accounting method as part of this application or a separate application</p> <p style="text-align: right;">SEE ATTACHMENT 1</p>								
<p>14 Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions If 'No,' attach an explanation</p>	X							
<p>15a Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?</p>		X						
<p>b If 'Yes,' for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application</p>								
<p>16 Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?</p>		X						
<p>17 If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">1st preceding year ended mo 06 yr 2011</th> <th style="text-align: left;">2nd preceding year ended mo 06 yr 2010</th> <th style="text-align: left;">3rd preceding year ended mo 06 yr 2009</th> </tr> </thead> <tbody> <tr> <td>\$ 716,706.</td> <td>\$ 637,058.</td> <td>\$ 681,528.</td> </tr> </tbody> </table>	1st preceding year ended mo 06 yr 2011	2nd preceding year ended mo 06 yr 2010	3rd preceding year ended mo 06 yr 2009	\$ 716,706.	\$ 637,058.	\$ 681,528.		
1st preceding year ended mo 06 yr 2011	2nd preceding year ended mo 06 yr 2010	3rd preceding year ended mo 06 yr 2009						
\$ 716,706.	\$ 637,058.	\$ 681,528.						
Part III Information For Advance Consent Request								
<p>18 Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If 'Yes,' attach an explanation describing why the applicant is submitting its request under advance consent request procedures.</p>								
<p>19 Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists</p>								
<p>20 Attach a copy of all documents related to the proposed change (see instructions)</p>								
<p>21 Attach a statement of the applicant's reasons for the proposed change</p>								
<p>22 If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If 'No,' attach an explanation</p>								
<p>23 a Enter the amount of user fee attached to this application (see instructions) ▶ \$</p> <p>b If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions)</p>								
Part IV Section 481(a) Adjustment								
<p>24 Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? If 'Yes,' do not complete lines 25, 26, and 27 below</p>		X						
<p>25 Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income ▶ \$ <u>-75,813.</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant</p> <p style="text-align: center;">SEE ATTACHMENT 2</p>								

Part IV Section 481(a) Adjustment		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		X
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If 'Yes', attach an explanation		X

Schedule A – Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed)

Part I Change in Overall Method (see instructions)

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state 'None'. Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g

SEE ATTACHMENT 3

- a Income accrued but not received
- b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method
- c Expenses accrued but not paid (such as accounts payable)
- d Prepaid expenses previously deducted
- e Supplies on hand previously deducted and/or not previously reported
- f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II
- g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment
- h **Net section 481(a) adjustment** (Combine lines 1a – 1g). Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25

Amount
\$ 6,201.
NONE
-21,235.
NONE
NONE
NONE
-60,779.
\$ -75,813.

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)? Yes No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information.

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations

Schedule B – Change in Reporting Advance Payments (see instructions)

- 1 If the applicant is requesting to change to the Deferral Method for advance payments described in section 502 of Rev Proc 2004-34, 2004-1 CB 991, attach the following information:
 - a A statement explaining how the advance payments meet the definition in section 201 of Rev Proc 2004-34
 - b If the applicant is filing under the automatic change procedures of Rev Proc 2008-52, the information required by section 802(3)(a)-(c) of Rev Proc 2004-34
 - c If the applicant is filing under the advance consent provisions of Rev Proc 97-27, the information required by section 803(2)(a)-(f) of Rev Proc 2004-34
- 2 If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following:
 - a A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1)
 - b A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3)
 - c A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii)
 - d A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income

Schedule C – Changes Within the LIFO Inventory Method (see instructions)**Part I | General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc)
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc)
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method)
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

Part II | Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

BAA

Form 3115 (Rev 12-2009)

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see the instructions))

Section A – Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method)
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method)
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method)

Section B – Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark 'N/A' in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs)		

Part III Method of Cost Allocation (see instructions) (continued)

Section C – Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs)		

Schedule E – Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the *List of Automatic Accounting Method Changes* in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400L, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? Yes No
If 'Yes,' the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii)
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? Yes No
If 'Yes,' enter the applicable section ▶ _____
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under section 168(f)(1), 179, or 179C)? Yes No
If 'Yes,' state the election made ▶ _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? Yes No
- c Is the property public utility property? Yes No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, the following information for both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g))
 - b The applicable asset class from Rev Proc 87-56, 1987-2 CB 674, for each asset depreciated under section 168 (MACRS) or under section 1400L, the applicable asset class from Rev Proc 83-35, 1983-1 CB 745, for each asset depreciated under former section 168 (ACRS), an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant
 - c The facts to support the asset class for the proposed method
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1))
 - e The useful life, recovery period, or amortization period of the property
 - f The applicable convention of the property
 - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

CLIENT 81245

ART IN ACTION

94-3342383

ATTACHMENT 1
FORM 3115, PART II, LINE 13
DESCRIPTION OF TRADE OR BUSINESS

ART IN ACTION PROVIDES VISUAL ARTS CURRICULUM TO STUDENTS IN PUBLIC AND PRIVATE SCHOOLS, AFTER SCHOOL PROGRAMS, AND HOME SCHOOLS NATIONWIDE. THE ORGANIZATION TRAINS TEACHERS AND PARENT VOLUNTEERS TO PRESENT EFFECTIVE LESSONS THROUGH HANDS-ON AND VIRTUAL ONLINE TRAININGS. THE ORGANIZATION ALSO COORDINATES DISPLAY OF PIECES OF STUDENT ARTWORK IN COLLABORATION WITH SCHOOLS, PUBLIC LIBRARIES, AND LOCAL BUSINESSES. THE ORGANIZATION PROVIDES LESSON SPECIFIC ART MATERIALS NEEDED TO TEACH THE PROGRAM.

ATTACHMENT 2
FORM 3115, PART IV, LINE 25
METHODOLOGY USED TO DETERMINE THE SECTION 481(A) ADJUSTMENT

SECTION 481(A) ADJUSTMENT NETS INCOME AND EXPENSES WHICH WOULD HAVE BEEN RECOGNIZED IN FISCAL YEAR ENDING 6/30/11 HAD THE TAX RETURN BEEN PREPARED USING THE ACCRUAL BASIS OF ACCOUNTING. THE FOLLOWING IS A SUMMARY OF THE COMPUTATION (SEE ALSO SCHEDULE A, PART 1):

RECEIVABLES WHICH WOULD HAVE BEEN INCOME	\$ 6,201
PAYABLES WHICH WOULD HAVE BEEN EXPENSED	(\$21,235)
CUSTOMER DEPOSITS WHICH WOULD HAVE BEEN DEFERRED REVENUE	(\$60,779)
NET	----- (\$75,813)

ATTACHMENT 3
FORM 3115, SCHEDULE A, PART I
BREAKDOWN OF LINES 1A - 1G

<u>LINE 1A</u>	
ACCOUNTS RECEIVABLE @ 6/30/11	\$ 6,201.
TOTAL	\$ <u>6,201.</u>
<u>LINE 1C</u>	
ACCOUNTS PAYABLE @ 6/30/11	\$ -20,792.
SALES TAX PAYABLE @ 6/30/11	-443.
TOTAL	\$ <u>-21,235.</u>
<u>LINE 1G</u>	
CUSTOMER DEPOSITS- REVENUE ON CASH BASIS	\$ -60,779.
TOTAL	\$ <u>-60,779.</u>

Art in Action
3925 Bohannon Drive
Menlo Park, CA 94025

Balance Sheet

As of June 2011

5/2/12
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Assets

Checking Account	\$53,517.99
Merrill Lynch Reserve Account	\$10,001.70
PayPal Account	\$507.98
Comerica Bank	\$2,499.89
Savings Account	\$234,568.83
Stock/Investment Acct	\$0.15
Security Deposit	\$7,000.00
Accounts Receivable	\$6,200.75
Pledges Due 2.0 Campaign	\$66,183.40
Computer Equipment	
Computers Purchased	\$37,370.93
Computers-Accum. Depr.	(\$31,232.08)
Office Equipment	
Equipment Purchased	\$6,368.54
Equipment-Accum. Depr.	(\$4,018.12)
Office Furniture	
Furniture Purchased	\$4,929.12
Furniture-Accum. Depr.	(\$2,671.00)
Inventory	\$53,990.15
Copyrights	
Copyrights Purchased	\$22,929.52
Copyrights-Accum. Amortization	(\$20,062.25)
Pre-Paid Expenses	\$1,998.74
Pre-Paid Insurance Expense	\$1,369.92
Petty Cash	\$473.58
Art Camp Prints	\$211.81
Total Assets	<u><u>\$452,139.55</u></u>

Liabilities

Accounts Payable	\$20,790.86
Prepaid Income	\$26,712.64
Sales Tax Collected	\$443.45
Grant-Hot Topic	\$3,000.00
Grants-Temporarily Restricted	\$52,964.69
Pledge2.0 Campaign t b applied	\$66,183.40
Pre-Paid Customer Deposits	\$60,779.21
Sub-Lease Security Deposit	\$250.00
Clearing Acct - 123 Signup	\$47.16
Total Liabilities	<u><u>\$231,171.41</u></u>

Equity

Retained Earnings	\$131,705.11
Current Earnings	\$89,263.03
Total Equity	<u><u>\$220,968.14</u></u>

Total Liability & Equity \$452,139.55

Art in Action
3925 Bohannon Drive
Menlo Park, CA 94025

Profit & Loss Statement

July 2010 through June 2011

5/2/12
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Income

Individual Donations	
Donations Individual	\$21,363.60
Donations Indiv 2 0 Campaign	\$2,000.00
Donations 1K+	
Donations Individuals - 1K+	\$13,000.00
Donations 1K+ 2 0 Campaign	\$23,822.84
Donations Corporations	\$1,406.25
Foundations Income	
Donations Foundations	\$117,205.00
Grants Foundations	\$66,635.25
Donations Fndn 2 0 Campaign	\$20,000.00
Donations-Other Organizations	\$50.00
Special Events Income	
Special Events Event Sponsor	\$6,150.00
Special Events Donations	\$43,487.25
Special Events Ticket Sales	\$19,040.00
Special Events Auction	\$35,170.00
PROGRAM INCOME	
Licensing Fees	\$155,025.00
Training - On Site	\$13,300.00
Sales-Art Boxes	\$104,811.25
Sales-Books	\$10,239.36
Sales-Prints	\$3,326.00
Sales-Print Sleeves	\$208.00
Sales-Promo Items	\$1,658.73
Sales-Starter Kits	\$23,000.00
Delivery Fees	\$2,239.80
Homeschool Income	\$2,839.29
Interest Income	\$564.83
Tour Income	\$8,601.95
Misc Income	\$464.62
Sublease Income	\$6,000.00
Total Income	<u>\$701,609.02</u>

Cost of Goods Sold

Cost of Goods Sold	\$10,308.96
COGS-Boxes	\$34,903.96
COGS Books	\$5,378.47
COGS-Prints	\$607.24
COGS-Promo	\$502.67
Print Mounting	\$981.25
Trimming Costs	\$867.23
Inventory Adj	\$143.38
Total Cost of Goods Sold	<u>\$53,693.16</u>

Gross Profit

\$647,915.86

Expenses

WAGES

Business Operations Director	\$93,661.64
Product Manager	\$29,822.38
Development Manager	\$46,054.84
Program Director	\$54,307.74
Marketing Director	\$83,900.19
Trainers - Wages	\$2,568.50
Total WAGES	<u>\$310,315.29</u>

Art in Action

Profit & Loss Statement

July 2010 through June 2011

5/2/12
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OTHER EMPLOYEE BENEFITS	
Workers Compensation	\$4,144.79
Medical Insurance	(\$502.00)
Dental Insurance	(\$88.00)
PAYROLL TAXES	
FICA	\$23,739.13
SUI	\$1,422.57
ETT	\$37.58
ACCOUNTING FEES	
Bookkeeping	\$7,859.16
Accounting	\$580.00
ADP Fees	\$2,038.25
Sales Tax Paid - Grants	\$60.13
LEGAL FEES	
Fees and Permits	\$294.00
SUPPLIES	
Materials (non-COGS)	\$2,651.70
Office Supplies	\$5,949.70
Computer software	\$2,295.00
Computer Supplies	\$21.84
Telecom	\$9,427.01
POSTAGE/SHIPPING	
Postage	\$2,864.03
Shipping	\$2,534.88
Freight	\$20.70
OCCUPANCY	
Rent	\$83,620.17
Webhosting	\$573.54
Office Expense	\$6.84
Utilities	\$4,013.53
Maintenance	\$2,939.00
Total OCCUPANCY	\$91,153.08
EQUIPMENT RENTAL/MAINT	
Computer Repairs	\$650.00
Equipment Rental	\$162.24
ADVERTISING & PROMOTION	
Printing and Reproduction	\$5,213.86
Advertising/Publicity	(\$23.30)
Flyers	\$81.94
Marketing Expense	\$112.56
TRAVEL	
Mileage Reimbursement	\$2,902.17
Travel, Misc	\$3,518.19
CONFERENCES, CONVENTIONS, MEE	
Exhibitions, Conferences	\$1,134.97
Dues	\$75.00
Subscriptions	\$1,015.00
Interest Expense	\$20.52
OTHER PROFESSIONAL SERVICES	
Consultants	\$13,454.90
Graphic Arts	\$850.00
Video Production	\$18,250.00
Outside Services	\$70.32
GIFTS/GOODWILL/LOSSES	
Gifts	\$485.24
Discounts Given	\$521.47
Meals & Entertainmnt (non-vol)	\$3,393.99
Volunteer Meals/Snacks	(\$2.91)
Gift Certificates	\$150.00

Art in Action

Profit & Loss Statement

July 2010 through June 2011

5/2/12
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Tours	\$6,911.97	
Bad Debt	\$627.31	
Amortization Exp	\$4,585.92	
Depreciation Exp	\$6,777.24	
Damaged Goods	\$1.09	
BANK CHARGES		
Bank Fees	\$1,717.97	
PayPal Fees	\$1,035.06	
123 Signup/Registration Fees	\$294.40	
Total BANK CHARGES		<u>\$3,047.43</u>
TAXES		
Taxes	\$10.00	
Sales Tax Paid	\$1,743.49	
STAFF EXPENSES		
Lunches, Meals	\$413.98	
Employee Training	\$947.34	
INSURANCE		
Liability-General	\$450.56	
Liability-D&O	\$1,294.58	
Accident	\$300.00	
Property Insurance	\$285.18	
Total INSURANCE		<u>\$2,330.32</u>
Board Expenses		<u>\$545.88</u>
EVENT EXPENSES		
Event Expenses	\$203.19	
Special Event Expenses	\$11,246.41	
Other Misc. Expenses		
Art Training Supplies	\$433.71	
Misc Exp	(\$27.45)	
Total Other Misc. Expenses		<u>\$406.26</u>
Total Expenses		<u><u>\$558,652.83</u></u>
Net Profit/(Loss)		<u><u>\$89,263.03</u></u>

PART II, LINE 10 - OTHER INCOME

<u>NATURE AND SOURCE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
SALES OF ART SUPPLIES & SPECIAL EVENTS					
	<u>290,820.</u>	<u>224,490.</u>	<u>169,322.</u>	<u>106,064.</u>	<u>274,903.</u>
TOTAL	<u>\$ 290,820.</u>	<u>\$ 224,490.</u>	<u>\$ 169,322.</u>	<u>\$ 106,064.</u>	<u>\$ 274,903.</u>