

# Return of Organization Exempt From Income Tax

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

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

**A For the 2008 calendar year, or tax year beginning and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C Name of organization</b> <b>FREE ARTS FOR ABUSED CHILDREN OF NEW YORK CITY, INC.</b>		<b>D Employer identification number</b> 13-3958495
		Doing Business As <b>FREE ARTS NYC</b>		<b>E Telephone number</b> 212-974-9092
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1431 BROADWAY, 7TH FLOOR</b>	<b>G Gross receipts \$</b> 2,303,846.	
		City or town, state or country, and ZIP + 4 <b>NEW YORK, NY 10018</b>		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b> ▶
<b>F Name and address of principal officer:</b> <b>LIZBETH HOPFAN</b> <b>SAME AS C ABOVE</b>				
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
<b>J Website:</b> ▶ <b>WWW.FREEARTSNYC.ORG</b>				
<b>K Type of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶				<b>L Year of formation:</b> 1997
<b>M State of legal domicile:</b> NY				

Part I Summary		Prior Year	Current Year
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>FREE ARTS NYC USES A HIGHLY UNIQUE COMBINATION OF EDUCATIONAL ARTS AND MENTORING TO HELP</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	20
	5 Total number of employees (Part V, line 2a)	5	58
	6 Total number of volunteers (estimate if necessary)	6	1000
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	1,477,984.	1,770,077.
	9 Program service revenue (Part VIII, line 2g)		
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	21,886.	14,577.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,456.	137.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,504,326.	1,784,791.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	672,421.	992,474.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 254,259.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	695,242.	822,537.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,367,663.	1,815,011.	
19 Revenue less expenses. Subtract line 18 from line 12	136,663.	-30,220.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year 832,166.	End of Year 803,305.
	21 Total liabilities (Part X, line 26)	28,692.	29,026.
	22 Net assets or fund balances. Subtract line 21 from line 20	803,474.	774,279.

**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	Date		
	<b>LIZBETH HOPFAN, EXECUTIVE DIRECTOR</b> Type or print name and title			
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN ▶	Phone no. ▶ 212-697-2299	
<b>LUTZ AND CARR, CPAS LLP</b> <b>300 EAST 42ND STREET</b> <b>NEW YORK, NY 10017</b>				

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

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

1 Briefly describe the organization's mission:

FREE ARTS NYC PROVIDES UNDER-SERVED CHILDREN AND FAMILIES WITH A  
UNIQUE COMBINATION OF EDUCATIONAL ARTS AND MENTORING PROGRAMS THAT  
HELP THEM TO FOSTER THE SELF-CONFIDENCE AND RESILIENCY NEEDED TO  
REALIZE THEIR FULLEST POTENTIAL.

2 Did the organization undertake any significant program services during the year which were not listed on  
the prior Form 990 or 990-EZ?  Yes  No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

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

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

4a (Code: ) (Expenses \$ 241,785. including grants of \$ ) (Revenue \$ )  
A CHILD'S PARTICIPATION IN WEEKLY MENTOR LEADS TO BETTER PERFORMANCE IN  
SCHOOL AND SOCIAL LIVES, AND HELPS THE CHILD WEATHER DIFFICULT  
CIRCUMSTANCES IN HIS OR HER FUTURE. WEEKLY MENTOR ENGAGES CHILDREN  
AGES 6-13 IN ART ACTIVITIES AND MENTORSHIP THROUGHOUT THE YEAR. AT  
SOCIAL SERVICE SITES ACROSS NEW YORK CITY, GROUPS OF CHILDREN ARE LED  
THROUGH DIFFERENT ART PROJECTS BY VOLUNTEER MENTORS. IN 2008, 5500  
VOLUNTEER HOURS WERE DONATED (\$150,000 VALUE) AND 100% OF THE YOUTH  
INCREASED THEIR SELF-ESTEEM AND OTHER FACTORS THAT LEAD TO INCREASED  
ACADEMIC PERFORMANCE AND WELL-BEING.

4b (Code: ) (Expenses \$ 201,927. including grants of \$ ) (Revenue \$ )  
PARENTS AND CHILDREN TOGETHER WITH ART STRENGTHENS AT-RISK FAMILIES.  
THE PROGRAM OFFERS INTERACTIVE, CREATIVE ARTS PROJECTS THAT PROMOTE  
FAMILY COMMUNICATION AND BONDING - ATTRIBUTES OF HEALTHY FAMILIES THAT  
DECREASE INCIDENCES OF CHILD MALTREATMENT. HELPING PARENTS WHO MIGHT BE  
UNCOMFORTABLE WITH TRADITIONAL CLASSES OR THERAPY, PACT OFFERS A SAFE  
AND FUN WAY FOR THE ENTIRE FAMILY (CHILD + PARENTS OR GUARDIANS) TO  
LEARN TO WORK TOGETHER AND STRENGTHEN COLLABORATION. IN 2009, PACT  
VOLUNTEERS OFFERED 1,500 HOURS TO FAMILIES (\$42,000 VALUE).

4c (Code: ) (Expenses \$ 186,382. including grants of \$ ) (Revenue \$ )  
THROUGHOUT THE YEAR, FREE ARTS DAYS (SATURDAY ART FESTIVALS) AND SUMMER  
CAMPS EXPOSE MORE THAN 1,000 AT-RISK YOUTH TO ENRICHING CULTURAL  
ACTIVITIES. IN ADDITION TO OTHER CREATIVE OUTLETS, CHILDREN CREATE  
PAINTINGS, SCULPTURES, DRAWINGS, AND OTHER WORKS OF ART THAT ALLOW FOR  
INDIVIDUAL EXPRESSION. THEY CELEBRATE THEIR SUCCESS THROUGH  
PERFORMANCES, EXHIBITIONS AND OTHER ESTEEM-BOOSTING CELEBRATIONS.  
THROUGHOUT PROGRAMS, CHILDREN PAIR WITH VOLUNTEER 'BUDDIES' WHO HELP  
BOOST THEIR CONFIDENCE. IN 2008, 6,375 HOURS OF VOLUNTEER TIME WERE  
CONTRIBUTED (\$178,000 VALUE).

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

(Expenses \$ 755,004. including grants of \$ ) (Revenue \$ )

4e Total program service expenses ► \$ 1,385,098. (Must equal Part IX, Line 25, column (B).)

**FREE ARTS FOR ABUSED CHILDREN OF  
NEW YORK CITY, INC.**

**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)? <i>If "Yes," complete Schedule A</i> .....	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? .....	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i> .....		X
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i> .....		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		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? <i>If "Yes," complete Schedule D, Part IV</i> .....		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> .....	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> .....	X	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.? .....		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i> .....		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i> .....		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? <i>If "Yes," complete Schedule F, Part III</i> .....		X
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....	X	
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> .....		X
21	Did the organization report more than \$5,000 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 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, questions 3, 4, or 5? <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, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <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, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> .....		X

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NEW YORK CITY, INC.

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

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

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	<b>1a</b> 45		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	<b>1c</b>		
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 58		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	<b>3b</b>		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</b>	If "Yes," enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	<b>4a</b>		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	<b>5c</b>		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>6b</b>		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	X	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	<b>7d</b>		
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
	<b>7a</b>		
	<b>7b</b>		
	<b>7c</b>		
	<b>7e</b>		
	<b>7f</b>		
	<b>7g</b>		
	<b>7h</b>		
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	<b>8</b>		
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
	<b>9a</b>		
	<b>9b</b>		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter: <b>N/A</b>		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	<b>10a</b>		
	<b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter: <b>N/A</b>		
<b>a</b>	Gross income from members or shareholders		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	<b>11a</b>		
	<b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year <b>N/A</b>		
	<b>12a</b>		
	<b>12b</b>		

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

**Section A. Governing Body and Management**

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

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

**Section B. Policies**

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

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed ► **NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►  
**LIZBETH HOPFAN - 212-974-9092**  
**C/O FREE ARTS FOR ABUSED CHILDEN, 1431 BROADWAY, NEW YORK, NY 10018**

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

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DANIEL EHRMANN TREASURER	1.00	X		X			0.	0.	0.	
MATHIAS GUERRAND-HERMES BOARD MEMBER	1.00	X					0.	0.	0.	
NOHRA HAIME BOARD MEMBER	1.00	X					0.	0.	0.	
MICHAEL D. KIRCHMANN BOARD MEMBER	1.00	X					0.	0.	0.	
JUDITH LEVY BOARD MEMBER	1.00	X					0.	0.	0.	
JON MEYERS BOARD MEMBER	1.00	X					0.	0.	0.	
SIMON DE PURY BOARD MEMBER	1.00	X					0.	0.	0.	
JACQUES ROIZEN BOARD MEMBER	1.00	X					0.	0.	0.	
AMY SACCO BOARD MEMBER	1.00	X					0.	0.	0.	
LINDA SCHAPS BOARD MEMBER	1.00	X					0.	0.	0.	
RICHARD SCHAPS BOARD MEMBER	1.00	X					0.	0.	0.	
TAD SENNOTT VICE CHAIR	1.00	X		X			0.	0.	0.	
MARY ALICE STEPHENSON BOARD MEMBER	1.00	X					0.	0.	0.	
TRINA STORFER SECRETARY	1.00	X		X			0.	0.	0.	
LINDSAY TAYLOR BOARD MEMBER	1.00	X					10,000.	0.	0.	
MATTHEW B. TAYLOR CHAIRMAN	1.00	X		X			0.	0.	0.	
JON P. VENETOS BOARD MEMBER	1.00	X					0.	0.	0.	

**FREE ARTS FOR ABUSED CHILDREN OF  
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**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ERIKA L. WEINBERG BOARD MEMBER	1.00	X					0.	0.	0.	
JAY WILKINS BOARD MEMBER	1.00	X					0.	0.	0.	
LIZBETH HOPFAN EXECUTIVE DIRECTOR	60.00	X		X			127,793.	0.	6,470.	
<b>1b Total</b>							<b>137,793.</b>	<b>0.</b>	<b>6,470.</b>	

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

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> 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
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization 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.

(A) Name and business address	(B) Description of services	(C) Compensation

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

**FREE ARTS FOR ABUSED CHILDREN OF  
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<b>Part VIII Statement of Revenue</b>						
		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>				
	<b>b</b> Membership dues .....	<b>1b</b>				
	<b>c</b> Fundraising events .....	<b>1c</b>				
	<b>d</b> Related organizations .....	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b> 20,500.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b> 1749577.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$	63,550.				
	<b>h Total.</b> Add lines 1a-1f .....		1,770,077.			
	<b>Program Service Revenue</b>	<b>2 a</b> _____	Business Code			
		<b>b</b> _____				
<b>c</b> _____						
<b>d</b> _____						
<b>e</b> _____						
<b>f</b> All other program service revenue .....						
<b>g Total.</b> Add lines 2a-2f .....						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		16,532.		16,532.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....					
	<b>5</b> Royalties .....					
	<b>6 a</b> Gross Rents .....	(i) Real				
		(ii) Personal				
		<b>b</b> Less: rental expenses .....				
		<b>c</b> Rental income or (loss) .....				
	<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities				
		(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....				
		<b>c</b> Gain or (loss) .....				
	<b>d</b> Net gain or (loss) .....		-1,955.	-1,955.		
	<b>8 a</b> Gross income from fundraising events (not including \$ 817,486. of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b> 58,881.				
		<b>b</b> Less: direct expenses .....	<b>b</b> 58,881.			
		<b>c</b> Net income or (loss) from fundraising events .....				
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>				
		<b>b</b> Less: direct expenses .....	<b>b</b>			
		<b>c</b> Net income or (loss) from gaming activities .....				
	<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>				
<b>b</b> Less: cost of goods sold .....		<b>b</b>				
<b>c</b> Net income or (loss) from sales of inventory .....						
Miscellaneous Revenue		Business Code				
<b>11 a</b> MISCELLANEOUS	900099	137.	137.			
<b>b</b> _____						
<b>c</b> _____						
<b>d</b> All other revenue .....						
<b>e Total.</b> Add lines 11a-11d .....		137.				
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e .....		1,784,791.	-1,818.	0.	16,532.	

**FREE ARTS FOR ABUSED CHILDREN OF  
NEW YORK CITY, INC.**

**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).**

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 U.S. See Part IV, line 21 .....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	134,263.	110,096.	6,713.	17,454.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	709,906.	562,388.	35,350.	112,168.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....				
9 Other employee benefits .....	76,678.	60,917.	3,820.	11,941.
10 Payroll taxes .....	71,627.	57,047.	3,569.	11,011.
11 Fees for services (non-employees):				
a Management .....				
b Legal .....				
c Accounting .....	36,368.		36,368.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other .....				
12 Advertising and promotion .....	26,460.	16,093.	365.	10,002.
13 Office expenses .....	12,441.	3,152.	8,871.	418.
14 Information technology .....	38,912.	27,839.	10,733.	340.
15 Royalties .....				
16 Occupancy .....	215,281.	191,768.	14,614.	8,899.
17 Travel .....	12,475.	10,975.	493.	1,007.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....	19,304.	17,444.		1,860.
20 Interest .....				
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	14,117.		14,117.	
23 Insurance .....	18,159.		18,159.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.) .....				
a <b>ART SUPPLIES</b> .....	66,813.	63,474.	299.	3,040.
b <b>INDIRECT BENEFIT EXPENS</b> .....	56,389.	0.	0.	56,389.
c <b>PROFESSIONAL FACILITATO</b> .....	51,225.	50,850.	375.	0.
d <b>POSTAGE AND MATERIALS T</b> .....	40,179.	36,275.	989.	2,915.
e <b>PROGRAM FOOD AND REFRES</b> .....	39,186.	35,353.	245.	3,588.
f All other expenses .....	175,228.	141,427.	20,574.	13,227.
25 <b>Total functional expenses.</b> Add lines 1 through 24f	1,815,011.	1,385,098.	175,654.	254,259.
26 <b>Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

**FREE ARTS FOR ABUSED CHILDREN OF  
NEW YORK CITY, INC.**

Form 990 (2008)

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**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	1,800.	<b>1</b>	2,200.
	<b>2</b> Savings and temporary cash investments .....	180,696.	<b>2</b>	107,780.
	<b>3</b> Pledges and grants receivable, net .....	177,735.	<b>3</b>	106,482.
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	35,020.	<b>9</b>	8,965.
	<b>10a</b> Land, buildings, and equipment: cost basis ...	239,241.		
	<b>b</b> Less: accumulated depreciation. Complete Part VI of Schedule D .....	95,576.	<b>10c</b>	143,665.
	<b>11</b> Investments - publicly traded securities .....	375,000.	<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	16,698.	<b>12</b>	412,557.
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	21,495.	<b>15</b>	21,656.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	832,166.	<b>16</b>	803,305.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	28,692.	<b>17</b>	14,115.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable .....		<b>24</b>	
	<b>25</b> Other liabilities. Complete Part X of Schedule D .....	0.	<b>25</b>	14,911.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	28,692.	<b>26</b>	29,026.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	716,649.	<b>27</b>	720,974.
	<b>28</b> Temporarily restricted net assets .....	86,825.	<b>28</b>	53,305.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	803,474.	<b>33</b>	774,279.	
<b>34</b> Total liabilities and net assets/fund balances .....	832,166.	<b>34</b>	803,305.	

**Part XI Financial Statements and Reporting**

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? .....		<b>X</b>
<b>b</b> Were the organization's financial statements audited by an independent accountant? .....	<b>X</b>	
<b>c</b> If "Yes" to lines 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? .....	<b>X</b>	
<b>3a</b> 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>X</b>
<b>b</b> If "Yes," did the organization undergo the required audit or audits? .....		

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization	FREE ARTS FOR ABUSED CHILDREN OF NEW YORK CITY, INC.	Employer identification number	13-3958495
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FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

DISADVANTAGED YOUTH. TRAINED VOLUNTEERS PROVIDE MORE THAN 15,000 HOURS OF GUIDANCE AND NURTURANCE (\$500,000 VALUE) TO CHILDREN IN SCHOOLS AND SOCIAL SERVICE SITES ACROSS NEW YORK CITY. THROUGH STRUCTURED ARTS WORKSHOPS, CHILDREN LEARN PROBLEM SOLVING, COMMUNICATION AND SOCIAL SKILLS, LEADING TO INCREASED SELF-CONFIDENCE AND RESILIENCY. FREE ARTS ALSO OFFERS PROGRAMS THAT STRENGTHEN FAMILY RELATIONSHIPS, CHANGE DESTRUCTIVE BEHAVIORAL PATTERNS, AND HELP CHILDREN DEVELOP INNER RESOURCES TO SURVIVE TRAUMATIC EXPERIENCES AND PULL THEMSELVES OUT OF DIFFICULT SITUATIONS. MORE THAN 25,000 YOUTH IN NEW YORK CITY HAVE BEEN HELPED.

FORM 990, PART III, LINE 2, NEW PROGRAM SERVICES:

NEW EVALUATION DATA DURING THIS LAST PROGRAM SERVICE YEAR SHOW THAT FREE ARTS NYC IS HIGHLY SUCCESSFUL IN BUILDING RESILIENCY IN CHILDREN.

RESILIENCY IS A STRONG, INTERNAL ATTRIBUTE, AND WHEN A CHILD IS MORE RESILIENT, S/HE MAKES HEALTHIER DECISIONS WHEN FACED WITH RISKS. 100% OF CHILDREN IN OUR CORE PROGRAMS BUILD RESILIENCY, AS MEASURED BY PROFESSIONAL EVALUATORS.

FORM 990, PART VI, SECTION A, LINE 2: THESE 4 BOARD MEMBERS HAVE FAMILY RELATIONSHIPS. THE RELATIONSHIPS ARE ALL BY MARRIAGE: 1)RICHARD SCHAPS TO 2)LINDA SCHAPS; AND 3)MATTHEW TAYLOR TO 4)LINDSAY TAYLOR.

FORM 990, PART VI, SECTION A, LINE 10: THE EXECUTIVE COMMITTEE REVIEWS AND

**SCHEDULE O**  
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Department of the Treasury  
Internal Revenue Service

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Name of the organization

FREE ARTS FOR ABUSED CHILDREN OF  
NEW YORK CITY, INC.

Employer identification number  
13-3958495

APPROVES THE FORM 990 BEFORE FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C: FREE ARTS NYC IS AS A NONPROFIT, TAX-EXEMPT ORGANIZATION WHICH DEPENDS ON CHARITABLE CONTRIBUTIONS FROM THE PUBLIC. MAINTENANCE OF ITS TAX-EXEMPT STATUS IS IMPORTANT BOTH FOR ITS CONTINUED FINANCIAL STABILITY AND FOR THE RECEIPT OF CONTRIBUTIONS AND PUBLIC SUPPORT. THEREFORE, THE IRS AS WELL AS STATE CORPORATE AND TAX OFFICIALS, VIEW THE OPERATIONS OF FREE ARTS NYC AS A PUBLIC TRUST WHICH IS SUBJECT TO SCRUTINY BY AND ACCOUNTABILITY TO SUCH GOVERNMENTAL AUTHORITIES AS WELL AS TO MEMBERS OF THE PUBLIC. CONSEQUENTLY, THERE EXISTS BETWEEN FREE ARTS NYC AND ITS BOARD, OFFICERS, AND MANAGEMENT EMPLOYEES A FIDUCIARY DUTY WHICH CARRIES WITH IT A BROAD AND UNBENDING DUTY OF LOYALTY AND FIDELITY. THE BOARD, OFFICERS, AND MANAGEMENT EMPLOYEES HAVE THE RESPONSIBILITY OF ADMINISTERING THE AFFAIRS OF FREE ARTS NYC HONESTLY AND PRUDENTLY, AND OF EXERCISING THEIR BEST CARE, SKILL, AND JUDGMENT FOR THE SOLE BENEFIT OF FREE ARTS NYC. THOSE PERSONS SHALL EXERCISE THE UTMOST GOOD FAITH IN ALL TRANSACTIONS INVOLVED IN THEIR DUTIES, AND THEY SHALL NOT USE THEIR POSITIONS WITH FREE ARTS NYC OR KNOWLEDGE GAINED THERE FROM FOR THEIR PERSONAL BENEFIT. THE INTERESTS OF THE ORGANIZATION MUST HAVE THE FIRST PRIORITY IN ALL DECISIONS AND ACTIONS.

PERSONS CONCERNED: THIS STATEMENT IS DIRECTED NOT ONLY TO DIRECTORS AND OFFICERS, BUT TO ALL EMPLOYEES WHO CAN INFLUENCE THE ACTIONS OF FREE ARTS NYC. FOR EXAMPLE, THIS WOULD INCLUDE ALL WHO MAKE PURCHASING DECISIONS, ALL OTHER PERSONS WHO MIGHT BE DESCRIBED AS "MANAGEMENT PERSONNEL," AND ALL WHO HAVE PROPRIETARY INFORMATION CONCERNING FREE ARTS NYC.

AREAS IN WHICH CONFLICT MAY ARISE: CONFLICTS OF INTEREST MAY ARISE IN THE

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

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Department of the Treasury  
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Open to Public Inspection

Name of the organization	FREE ARTS FOR ABUSED CHILDREN OF NEW YORK CITY, INC.	Employer identification number	13-3958495
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RELATIONS OF DIRECTORS, OFFICERS, AND MANAGEMENT EMPLOYEES WITH ANY OF THE FOLLOWING THIRD PARTIES: PERSONS AND FIRMS SUPPLYING GOODS AND SERVICES TO FREE ARTS NYC; PERSONS AND FIRMS FROM WHOM FREE ARTS NYC LEASES PROPERTY AND EQUIPMENT; PERSONS AND FIRMS WITH WHOM FREE ARTS NYC IS DEALING OR PLANNING TO DEAL IN CONNECTION WITH THE GIFT, PURCHASE OR SALE OF REAL ESTATE, SECURITIES, OR OTHER PROPERTY; COMPETING OR AFFINITY ORGANIZATIONS; DONORS AND OTHERS SUPPORTING FREE ARTS NYC; AGENCIES, ORGANIZATIONS, AND ASSOCIATIONS WHICH AFFECT THE OPERATIONS OF FREE ARTS NYC; FAMILY MEMBERS, FRIENDS, AND OTHER EMPLOYEES.

NATURE OF CONFLICTING INTEREST: A MATERIAL CONFLICTING INTEREST MAY BE DEFINED AS AN INTEREST, DIRECT OR INDIRECT, WITH ANY PERSONS AND FIRMS MENTIONED IN SECTION 3. SUCH AN INTEREST MIGHT ARISE THROUGH: OWNING STOCK OR HOLDING DEBT OR OTHER PROPRIETARY INTERESTS IN ANY THIRD PARTY DEALING WITH FREE ARTS NYC; HOLDING OFFICE, SERVING ON THE BOARD, PARTICIPATING IN MANAGEMENT, OR BEING OTHERWISE EMPLOYED (OR FORMERLY EMPLOYED) IN ANY THIRD PARTY DEALING WITH FREE ARTS NYC; RECEIVING REMUNERATION FOR SERVICES WITH RESPECT TO INDIVIDUAL TRANSACTIONS INVOLVING FREE ARTS NYC; USING FREE ARTS NYC'S TIME, PERSONNEL, EQUIPMENT, SUPPLIES, OR GOOD WILL FOR OTHER THAN FREE ARTS NYC APPROVED ACTIVITIES, PROGRAMS, AND PURPOSES; RECEIVING PERSONAL GIFTS OR LOANS FROM THIRD PARTIES DEALING WITH FREE ARTS NYC. RECEIPT OF ANY GIFT IS DISAPPROVED EXCEPT GIFTS OF NOMINAL VALUE WHICH COULD NOT BE REFUSED WITHOUT DISCOURTESY. NO PERSONAL GIFT OF MONEY SHOULD EVER BE ACCEPTED.

INTERPRETATION OF THIS STATEMENT OF POLICY: THE AREAS OF CONFLICTING INTEREST LISTED IN SECTION 3, AND THE RELATIONS IN THOSE AREAS WHICH MAY GIVE RISE TO CONFLICT, AS LISTED IN SECTION 4, ARE NOT EXHAUSTIVE.

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

Department of the Treasury  
Internal Revenue Service

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CONCEIVABLY, CONFLICTS MIGHT ARISE IN OTHER AREAS OR THROUGH OTHER RELATIONS. IT IS ASSUMED THAT THE TRUSTEES, OFFICERS, AND MANAGEMENT EMPLOYEES WILL RECOGNIZE SUCH AREAS AND RELATION BY ANALOGY. THE FACT THAT ONE OF THE INTERESTS DESCRIBED IN SECTION 4 EXISTS DOES NOT MEAN NECESSARILY THAT A CONFLICT EXISTS, OR THAT THE CONFLICT, IF IT EXISTS, IS MATERIAL ENOUGH TO BE OF PRACTICAL IMPORTANCE, OR IF MATERIAL THAT UPON FULL DISCLOSURE OF ALL RELEVANT FACTS AND CIRCUMSTANCES THAT IT IS NECESSARILY ADVERSE TO THE INTERESTS OF FREE ARTS NYC. HOWEVER, IT IS THE POLICY OF THE BOARD THAT THE EXISTENCE OF ANY OF THE INTERESTS DESCRIBED IN SECTION 4 SHALL BE DISCLOSED BEFORE ANY TRANSACTION IS CONSUMMATED. IT SHALL BE THE CONTINUING RESPONSIBILITY OF BOARD, OFFICERS, AND MANAGEMENT EMPLOYEES TO SCRUTINIZE THEIR TRANSACTIONS AND OUTSIDE BUSINESS INTERESTS AND RELATIONSHIPS FOR POTENTIAL CONFLICTS AND TO IMMEDIATELY MAKE SUCH DISCLOSURES.

DISCLOSURE POLICY AND PROCEDURE: DISCLOSURE SHOULD BE MADE ACCORDING TO THE FREE ARTS NYC STANDARDS. TRANSACTIONS WITH RELATED PARTIES MAY BE UNDERTAKEN ONLY IF ALL OF THE FOLLOWING ARE OBSERVED:

A MATERIAL TRANSACTION IS FULLY DISCLOSED IN THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION; THE RELATED PARTY IS EXCLUDED FROM THE DISCUSSION AND APPROVAL OF SUCH TRANSACTION; A COMPETITIVE BID OR COMPARABLE VALUATION EXISTS; AND THE ORGANIZATION'S BOARD HAS ACTED UPON AND DEMONSTRATED THAT THE TRANSACTION IS IN THE BEST INTEREST OF THE ORGANIZATION. DISCLOSURE IN THE ORGANIZATION SHOULD BE MADE TO THE EXECUTIVE DIRECTOR (OR IF SHE OR HE IS THE ONE WITH THE CONFLICT, THEN TO THE BOARD CHAIR), WHO SHALL DETERMINE WHETHER A CONFLICT EXISTS AND IS MATERIAL, AND IF THE MATTERS ARE MATERIAL, BRING THEM TO THE ATTENTION OF

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

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THE BOARD CHAIR.

DISCLOSURE INVOLVING DIRECTORS SHOULD BE MADE TO THE BOARD CHAIR, WHO SHALL BRING THESE MATTERS, IF MATERIAL TO THE BOARD. THE BOARD SHALL DETERMINE WHETHER A CONFLICT EXISTS AND IS MATERIAL, AND IN THE PRESENCE OF AN EXISTING MATERIAL CONFLICT, WHETHER THE CONTEMPLATED TRANSACTION MAY BE AUTHORIZED AS JUST, FAIR, AND REASONABLE TO FREE ARTS NYC. THE DECISION OF THE BOARD ON THESE MATTERS WILL REST IN THEIR SOLE DISCRETION, AND THEIR CONCERN MUST BE THE WELFARE OF FREE ARTS NYC AND THE ADVANCEMENT OF ITS PURPOSE.

FORM 990, PART VI, SECTION B, LINE 15: INFORMATION OF ANNUAL BUDGETS, THE EXECUTIVE COMMITTEE, WITHOUT THE PRESENCE OF THE EXECUTIVE DIRECTOR AND OTHER KEY EMPLOYEES, DETERMINES THE COMPENSATION AND ANY INCREASES BASED ON PRIOR YEAR PERFORMANCE, UPCOMING PROJECTS/REQUIREMENTS, AND AVAILABLE FUNDS. THE LEVEL OF COMPENSATION IS REVIEWED AGAINST COMPARABLE DATA IN OTHER SIMILAR NON-PROFIT ORGANIZATIONS FOR REASONABLENESS.

FORM 990, PART VI, SECTION C, LINE 19: FREE ARTS NYC MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE ONLINE AT ITS WEBSITE AND ON REQUEST.

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: LINDSAY TAYLOR

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BOARD MEMBER; MARRIED TO BOARD MEMBER

(C) AMOUNT OF TRANSACTION \$ 10000.

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(D) DESCRIPTION OF TRANSACTION: ELECTED TO BOARD AFTER CONSULTING FEES RELATED TO A BENEFIT FUNDRAISER WERE PAID TO HER. SPOUSE WAS ON THE BOARD AT THE TIME.

(E) SHARING OF ORGANIZATION REVENUES? = NO

