

**HECHT AND COMPANY, P.C.**  
Certified Public Accountants

111 West 40th Street  
New York, NY 10018  
(212) 819-8000  
Fax: (212) 302-0973

FRANKLIN FURNACE ARCHIVE, INC.  
80 HANSON PLACE  
BROOKLYN, NY 11217

Dear Client,

Enclosed are the original and one copy of your income tax returns for the period ended July 31, 2007 for:

FRANKLIN FURNACE ARCHIVE, INC. as follows...

2006 990 - Return of Organization Exempt from Income Tax (AMENDED)  
2006 New York Form 500 - Annual Financial Report

Each original should be dated, signed and filed in accordance with the filing instructions. The copy should be retained for your files.

Very truly yours,

HECHT AND COMPANY, P.C.

**HECHT AND COMPANY, P.C.**  
Certified Public Accountants

111 West 40th Street  
New York, NY 10018  
(212) 819-8000  
Fax: (212) 302-0973

Instructions for filing  
FRANKLIN FURNACE ARCHIVE, INC.  
Form 990 with Sch. A - Exempt Under 501(c)(3)  
for the period ended July 31, 2007

\*\*\*\*\*

**Signature...**

The original return should be signed (using full name and title) and dated by an authorized officer of the organization.

**Filing...**

The signed return should be filed as soon as possible with...

Internal Revenue Service  
Ogden, UT 84201-0027

**Payment of tax...**

No payment of tax is required.

To document the timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service) or through the use of an IRS approved delivery method provided by an IRS designated private delivery service.

\*\*\*\*\*

**Return of Organization Exempt From Income Tax**

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)

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

**A For the 2006 calendar year, or tax year beginning 08/01, 2006, and ending 07/31/2007**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>FRANKLIN FURNACE ARCHIVE, INC.</b>	<b>D</b> Employer identification number <b>13-2879766</b>
	Please use IRS label or print or type. See Specific Instructions. Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>80 HANSON PLACE 301</b>	<b>E</b> Telephone number <b>(718) 398-7255</b>
	City or town, state or country, and ZIP + 4 <b>BROOKLYN, NY 11217</b>	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G** Website: **WWW.FRANKLINFURNACE.ORG**

**J** Organization type (check only one)  501(c) (3 ) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**H** and **I** are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates

**H(c)** Are all affiliates included? (If "No," attach a list. See instructions.)  Yes  No

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **353,233.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

<b>1</b>		Contributions, gifts, grants, and similar amounts received:					
<b>a</b>		Contributions to donor advised funds		<b>1a</b>			
<b>b</b>		Direct public support (not included on line 1a)		<b>1b</b>	171,746.		
<b>c</b>		Indirect public support (not included on line 1a)		<b>1c</b>			
<b>d</b>		Government contributions (grants) (not included on line 1a)		<b>1d</b>	88,883.		
<b>e</b>		Total (add lines 1a through 1d) (cash \$ 260,629. noncash \$ )		<b>1e</b>	260,629.		
<b>2</b>		Program service revenue including government fees and contracts (from Part VII, line 93)		<b>2</b>	150.		
<b>3</b>		Membership dues and assessments		<b>3</b>	52,304.		
<b>4</b>		Interest on savings and temporary cash investments		<b>4</b>	1,418.		
<b>5</b>		Dividends and interest from securities		<b>5</b>	14,327.		
<b>6 a</b>		Gross rents		<b>6a</b>			
<b>b</b>		Less: rental expenses		<b>6b</b>			
<b>c</b>		Net rental income or (loss). Subtract line 6b from line 6a		<b>6c</b>			
<b>7</b>		Other investment income (describe )		<b>7</b>			
<b>8 a</b>		Gross amount from sales of assets other than inventory		(A) Securities		(B) Other	
<b>b</b>		Less: cost or other basis and sales expenses		<b>8a</b>	4,500.		
<b>c</b>		Gain or (loss) (attach schedule) <i>STATEMENT 14</i>		<b>8b</b>	6,500.		
<b>d</b>		Net gain or (loss). Combine line 8c, columns (A) and (B)		<b>8c</b>	-2,000.		
<b>8d</b>				<b>8d</b>	-2,000.		
<b>9</b>		Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
<b>a</b>		Gross revenue (not including \$ of contributions reported on line 1b) <i>STMT 1</i>		<b>9a</b>	19,905.		
<b>b</b>		Less: direct expenses other than fundraising expenses		<b>9b</b>	14,210.		
<b>c</b>		Net income or (loss) from special events. Subtract line 9b from line 9a		<b>9c</b>	5,695.		
<b>10 a</b>		Gross sales of inventory, less returns and allowances		<b>10a</b>			
<b>b</b>		Less: cost of goods sold		<b>10b</b>			
<b>c</b>		Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		<b>10c</b>			
<b>11</b>		Other revenue (from Part VII, line 103)		<b>11</b>			
<b>12</b>		Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		<b>12</b>	332,523.		
<b>13</b>		Program services (from line 44, column (B))		<b>13</b>	216,512.		
<b>14</b>		Management and general (from line 44, column (C))		<b>14</b>	87,597.		
<b>15</b>		Fundraising (from line 44, column (D))		<b>15</b>	23,560.		
<b>16</b>		Payments to affiliates (attach schedule)		<b>16</b>			
<b>17</b>		Total expenses. Add lines 16 and 44, column (A)		<b>17</b>	327,669.		
<b>18</b>		Excess or (deficit) for the year. Subtract line 17 from line 12		<b>18</b>	4,854.		
<b>19</b>		Net assets or fund balances at beginning of year (from line 73, column (A))		<b>19</b>	439,233.		
<b>20</b>		Other changes in net assets or fund balances (attach explanation) <i>STMT 2</i>		<b>20</b>	13,129.		
<b>21</b>		Net assets or fund balances at end of year. Combine lines 18, 19, and 20		<b>21</b>	457,216.		

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

**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ 83,750. noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	83,750.	83,750.		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) <i>STMT !!</i>	68,607.	34,304.	27,443.	6,860.
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	28,661.	14,331.	11,464.	2,866.
27	Pension plan contributions not included on lines 25a, b, and c	NONE			
28	Employee benefits not included on lines 25a - 27	11,660.	5,830.	4,664.	1,166.
29	Payroll taxes	13,074.	6,537.	5,230.	1,307.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	5,032.	1,500.	1,802.	1,730.
34	Telephone	2,672.	1,201.	1,349.	122.
35	Postage and shipping	4,964.	202.	1,394.	3,368.
36	Occupancy	21,217.	10,184.	7,638.	3,395.
37	Equipment rental and maintenance	5,180.	1,331.	2,916.	933.
38	Printing and publications				
39	Travel	4,518.	2,977.	1,541.	
40	Conferences, conventions, and meetings				
41	Interest <i>STMT N</i>	8,178.		8,178.	
42	Depreciation, depletion, etc. (attach schedule)	4,538.		4,538.	
43	Other expenses not covered above (itemize):				
43a	<i>STMT 4</i>	65,618.	54,365.	9,440.	1,813.
43b					
43c					
43d					
43e					
43f					
43g					
44	<b>Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	327,669.	216,512.	87,597.	23,560.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_ ; (ii) the amount allocated to Program services \$ \_\_\_\_\_ ;  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_ ; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_



**Part IV Balance Sheets (See the instructions.)**

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	75,219	45	138,750	
	46 Savings and temporary cash investments	50,000	46	50,000	
	47a Accounts receivable	47a			
	b Less: allowance for doubtful accounts	47b	47c		
	48a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b	48c		
	49 Grants receivable	170,313	49	63,030	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b		
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less: allowance for doubtful accounts	51b	51c		
	52 Inventories for sale or use	43,800	52	37,300	
	53 Prepaid expenses and deferred charges	2,919	53	962	
	54a Investments - publicly-traded securities	STMT 7. <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	228,856	54a	254,620
	b Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a Investments - land, buildings, and equipment: basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b	55c		
	56 Investments - other (attach schedule)		56		
	57a Land, buildings, and equipment: basis	57a	76,339		
b Less: accumulated depreciation (attach schedule)	57b	66,296	57c	10,043	
58 Other assets, including program-related investments (describe <input type="checkbox"/> STMT 8 )		5,164	58	5,164	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58		584,394	59	559,869	
Liabilities	60 Accounts payable and accrued expenses	91,167	60	64,065	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)	35,667	64b	22,851	
	65 Other liabilities (describe <input type="checkbox"/> STMT 9 )	18,327	65	15,737	
66 <b>Total liabilities.</b> Add lines 60 through 65	145,161	66	102,653		
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	243,371	67	328,825	
	68 Temporarily restricted	195,862	68	128,391	
	69 Permanently restricted		69		
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	439,233	73	457,216	
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	584,394	74	559,869	



Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 12

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)

75b Yes No X

c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.

75c Yes No X

d Does the organization have a written conflict of interest policy?

75d Yes No X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 shows -0- in all columns.

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change

76 Yes No X

77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.

77 Yes No X

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a Yes No X

b If "Yes," has it filed a tax return on Form 990-T for this year?

78b N/A

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79 Yes No X

80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? If "Yes," enter the name of the organization

80a Yes No X

81a Enter direct and indirect political expenditures. (See line 81 instructions.) and check whether it is exempt or nonexempt

81a NONE

b Did the organization file Form 1120-POL for this year?

81b Yes No X



Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 b	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 NONE ; section 4912 NONE ; section 4955 NONE		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		N/A
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed		NY
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	4
91 a	The books are in care of		FRANKLIN FURNACE ARCHIVE, INC.
	Located at		80 HANSON PLACE BROOKLYN, NY
	Telephone no.		718-398-7255
	ZIP + 4		11217
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)? If "Yes," enter the name of the foreign country	91b	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? ... 91c X
If "Yes," enter the name of the foreign country
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here ...
and enter the amount of tax-exempt interest received or accrued during the tax year ... 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue (Publications: 150), Membership dues and assessments (52,304), Interest on savings (1,418), Dividends (14,327), Net rental income, Gain or loss from sales, and Subtotal (19,440) and Total (71,894).

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes. Rows 93A and 94 describe fund collection and membership dues.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN, (B) Percentage of ownership interest, (C) Nature of activities, (D) Total income, (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ... Yes X No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ... Yes X No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

**Please Sign Here**

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

▶ Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

▶ Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	EIN ▶		Phone no. ▶
<b>HECHT AND COMPANY, P.C.</b> <b>111 WEST 40TH STREET</b> <b>NEW YORK, NY</b>	<b>10018</b>	<b>212 819-8000</b>	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information - (See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

**2006**

Name of the organization <b>FRANKLIN FURNACE ARCHIVE, INC.</b>	Employer identification number <b>13-2879766</b>
---	---

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<b>NONE</b>				
Total number of other employees paid over \$50,000 . . . ▶		<b>NONE</b>		

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		
Total number of others receiving over \$50,000 for professional services . . . ▶		<b>NONE</b>

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		
Total number of other contractors receiving over \$50,000 for other services . . . ▶		<b>NONE</b>

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

Schedule A (Form 990 or 990-EZ) 2006

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ NONE (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

Table with 2 columns: Yes, No. Row 1: Yes ( ), No (X). Row 2: Yes ( ), No (X).

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

Table with 2 columns: Yes, No. Row a: Yes ( ), No (X).

b Lending of money or other extension of credit?

Table with 2 columns: Yes, No. Row b: Yes ( ), No (X).

c Furnishing of goods, services, or facilities?

Table with 2 columns: Yes, No. Row c: Yes ( ), No (X).

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

Table with 2 columns: Yes, No. Row d: Yes (X), No ( ).

e Transfer of any part of its income or assets?

Table with 2 columns: Yes, No. Row e: Yes ( ), No (X).

3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . . STMT 12

Table with 2 columns: Yes, No. Row 3a: Yes (X), No ( ).

b Did the organization have a section 403(b) annuity plan for its employees?

Table with 2 columns: Yes, No. Row b: Yes (X), No ( ).

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement . . . . .

Table with 2 columns: Yes, No. Row c: Yes ( ), No (X).

d Did the organization provide credit counselling, debt management, credit repair, or debt negotiation services? . . . . .

Table with 2 columns: Yes, No. Row d: Yes ( ), No (X).

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g . . . . .

Table with 2 columns: Yes, No. Row 4a: Yes ( ), No (X).

b Did the organization make any taxable distributions under section 4966? . . . . .

Table with 2 columns: Yes, No. Row 4b: Yes ( ), No ( ).

c Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .

Table with 2 columns: Yes, No. Row 4c: Yes ( ), No ( ).

d Enter the total number of donor advised funds owned at the end of the tax year . . . . . ▶

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . . . . ▶

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts . . . . . ▶ NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . . . ▶ NONE

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12  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 charitable, etc., 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). (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2005, (b) 2004, (c) 2003, (d) 2002, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions; 18 Gross income from interest; 19 Net income from unrelated business; 20 Tax revenues levied; 21 Value of services or facilities; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 9 of the instructions.) **NOT APPLICABLE**  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? . . . . .		
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? . . . . . If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
-----		
-----		
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
-----		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? . . . . .		
<b>b</b> Admissions policies? . . . . .		
<b>c</b> Employment of faculty or administrative staff? . . . . .		
<b>d</b> Scholarships or other financial assistance? . . . . .		
<b>e</b> Educational policies? . . . . .		
<b>f</b> Use of facilities? . . . . .		
<b>g</b> Athletic programs? . . . . .		
<b>h</b> Other extracurricular activities? . . . . .		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
-----		
-----		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? . . . . . If you answered "Yes" to either 34a or b, please explain using an attached statement.		
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation . . . . .		



Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.) (To be completed ONLY by an eligible organization that filed Form 5768) NOT APPLICABLE

Check a If the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Table with columns: Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.), (a) Affiliated group totals, (b) To be completed for all electing organizations. Rows include lines 36-44 for total lobbying expenditures, nontaxable amounts, and calculations.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for years 2006, 2005, 2004, 2003, and Total. Rows include lines 45-50 for nontaxable amounts, lobbying ceiling, total lobbying expenditures, and grassroots nontaxable amounts.

Part VI-B Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

Table for reporting lobbying activity with columns: Yes, No, Amount. Rows include items a-i: Volunteers, Paid staff or management, Media advertisements, Mailings, Publications, Grants, Direct contact, Rallies, and Total lobbying expenditures.



**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

**2006**

Name of organization

**FRANKLIN FURNACE ARCHIVE, INC.**

Employer identification number

**13-2879766**

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

**General Rule -**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules -**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization **FRANKLIN FURNACE ARCHIVE, INC.**

Employer identification number

**13-2879766**

**Part I** Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JEROME FOUNDATION 400 SIBLEY ST., SUITE 125 SAINT PAUL, MN 55101	41,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	THE J.P. MORGAN CHASE FOUNDATION 270 PARK AVENUE -46TH FLOOR NEW YORK, NY 10017	15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	NYS COUNCIL ON THE ARTS 175 VARICK ST., 3RD FLR NEW YORK, NY 10014	70,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	BOOTH FERRIS FOUNDATION 345 PARK AVE., 4TH FLOOR NEW YORK, NY 10154	100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	GLADYS KRIEBLE DELMAS FOUNDATION 521 FIFTH AVE, SUITE 1612 NEW YORK, NY 10175	20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FEDERAL FOOTNOTES

=====

FORM 990 IS BEING AMENDED BECAUSE THE ORIGINAL RETURN WAS PREPARED PRIOR TO THE AUDIT OF THE FINANCIAL STATEMENTS WHICH ADJUSTED THE PRESENTATION OF VARIOUS AMOUNTS OF REVENUE, EXPENSES AND FINANCIAL POSITION OF THE ORGANIZATION.

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
THE HISTORY OF THE FUTURE BENEFIT	19,905.	14,210.	5,695.
TOTALS	19,905.	14,210.	5,695.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON SECURITIES	13,129.
TOTAL	13,129.

## FORM 990, PART II, LINE 25A - CURRENT OFFICER COMPENSATION SCHEDULE

<u>CURRENT OFFICER NAME</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>
SUSAN WIDERMAN BLOG COMPENSATION:	NONE	NONE	NONE
JON HENDRICKS COMPENSATION:	NONE	NONE	NONE
DAVID S. PERLMUTTER COMPENSATION:	NONE	NONE	NONE
MARTHA WILSON COMPENSATION:	25,000.	20,000.	5,000.
ADAM M. COHEN COMPENSATION:	NONE	NONE	NONE
HARLEY SPILLER COMPENSATION:	9,304.	7,443.	1,860.
COCO FUSCO COMPENSATION:	NONE	NONE	NONE
JESSICA HANLON COMPENSATION:	NONE	NONE	NONE
RUTH HARDINGER COMPENSATION:	NONE	NONE	NONE
RUSSET LEDERMAN COMPENSATION:	NONE	NONE	NONE
CHRIS DAZE ELLIS COMPENSATION:	NONE	NONE	NONE
RICARDO MIRANDA ZUNIGA COMPENSATION:	NONE	NONE	NONE
TOTALS	<u>34,304.</u>	<u>27,443.</u>	<u>6,860.</u>



## FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
CONSULTING	24,727.	24,727.		
PUBLIC RELATIONS AND ADVERTISI	9,871.	9,871.		
UTILITIES	6,770.	3,250.	2,437.	1,083.
PROFESSIONAL FEES	12,594.	8,909.	3,685.	
INSURANCE	3,858.	1,967.	1,739.	152.
DOCUMENTATION	100.	100.		
STORAGE	6,200.	5,184.	1,016.	
MISCELLANEOUS	1,498.	357.	563.	578.
TOTALS	65,618.	54,365.	9,440.	1,813.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

TAXPAYER PROVIDES A PUBLIC ARCHIVE OF BOOKS PRODUCED BY ARTISTS AS  
ARTWORKS AND MAINTAINS AN EXHIBITION SPACE FOR SUCH WORKS.

## FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PREPAID INSURANCE	2,919.	962.
TOTALS	2,919.	962.

## FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	COST OR FMV -----
FOREIGN BONDS	76,384.	79,445.	FMV
MUTUAL FUNDS	152,472.	175,175.	FMV
TOTALS	228,856.	254,620.	

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
SECURITY DEPOSITS	5,164.	5,164.
TOTALS	5,164.	5,164.
	=====	=====

FORM 990, PART IV - OTHER LIABILITIES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>
PAYROLL TAXES PAYABLE	18,327.	15,737.
TOTALS	18,327.	15,737.

## FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUSAN WIDERMAN BLOG 2 EAGLE HILL CT. HUNTINGTON, NY 11743	TREASURER 1.00	NONE	NONE	NONE
JON HENDRICKS 488 GREENWICH ST. NEW YORK, NY 10013	DIRECTOR 1.00	NONE	NONE	NONE
DAVID S. PERLMUTTER 37 LUDLOW DR. CHAPPAQUA, NY 10514	DIRECTOR 1.00	NONE	NONE	NONE
MARTHA WILSON 432 DEAN ST. BROOKLYN, NY 11217	DIRECTOR 35.00	50,000.	NONE	NONE
ADAM M. COHEN 1130 AVE. OF THE AMERICAS NEW YORK, NY 10019	SECRETARY 1.00	NONE	NONE	NONE
HARLEY SPILLER 501 E. 78TH STREET APT 2E NEW YORK, NY 10021	ASST SECRE 35.00	18,607.	NONE	NONE
COCO FUSCO 54 MONROE STREET BROOKLYN, NY 11238	DIRECTOR 1.00	NONE	NONE	NONE
JESSICA HANLON 152 ICELAND DRIVE	DIRECTOR 1.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
HUNTINGTON STATION, NY 11746				
RUTH HARDINGER 20 N MOORE STREET NEW YORK, NY 10013	DIRECTOR 1.00	NONE	NONE	NONE
RUSSET LEDERMAN 161 WEST 75TH STREET NEW YORK, NY 10023	DIRECTOR 1.00	NONE	NONE	NONE
CHRIS DAZE ELLIS 1575 LEXINGTON AVE NEW YORK, NY 10029	DIRECTOR 1.00	NONE	NONE	NONE
RICARDO MIRANDA ZUNIGA 1717 TROUTMAN ST #313 RIDGEMOOD, NY 11385	DIRECTOR 1.00	NONE	NONE	NONE
GRAND TOTALS		68,607.	NONE	NONE



**Franklin Furnace Archive, Inc.**  
**FORM 990**  
**STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**  
**PART III**  
**JULY 31, 2007**

**Mission Statement**

Franklin Furnace Archive, Inc., on a mission to make the world safe for avant-garde art.

Franklin Furnace's mission is to present, preserve, interpret, proselytize and advocate on behalf of avant-garde art, especially forms that may be vulnerable due to institutional neglect, their ephemeral nature, or politically unpopular content. Franklin Furnace is dedicated to serving artists by providing both physical and virtual venues for the presentation of time-based visual art, including but not limited to artists' books and periodicals, installation art, performance art, "live art on the Internet"; and to undertake other activities related to these purposes. Franklin Furnace is committed to serving emerging artists; to assuming an aggressive pedagogical stance with regard to the value of avant-garde art to cultural life; and to fostering artists' zeal to broadcast ideas.

**Programs 2006-2007**

**The Future of the Present** continues Franklin Furnace's pioneering exploration of the Internet as an art medium. Inaugurated in 1998 as a series of performance art netcasts for worldwide audiences, The Future of the Present has evolved into a sophisticated examination of issues raised by the Internet as an artistic medium and public venue. Franklin Furnace produces works of "live art on the Internet" in collaboration with an array of venues in New York such as Parsons School of Design, the Kitchen, DCTV, Eyebeam Atelier, Location One, Rhizome.org, Hunter College and Renssalaer Polytechnic Institute, as well as internationally in such places as Split, Croatia; Managua, Nicaragua; and Tokyo, Japan. In 2006, two proposals, by artists John Jesurun and Diane Ludin were selected from among 327 received to receive \$4,000 awards.

**The Franklin Furnace Fund for Performance Art:** Since 1985, Franklin Furnace has annually awarded grants to artists selected by peer panel review to enable them to prepare major performance art works for presentation in New York. In 2006 Franklin Furnace made seven \$4,000 grants to individual artists/collaborations Lisa Bufano, Kelly Dobson, Kate Gilmore, David Khang, neurotransmitter, Rashaad Newsome and Naufus Ramirez-Figueroa. The selection panel for both the Franklin Furnace Fund for Performance Art and The Future of the Present proposals consisted of Perry Bard, Paco Cao, Laura McGough, Lorraine O'Grady and Brooke Singer. Franklin Furnace has no curator; each year a new panel of artists reviews all proposals. We believe that this peer panel system

183

Statement 12

allows artists from all over the world an equal shot at presenting their work. Every year the panel changes, as the definitions of “emerging artist,” the notion of “live art on the Internet,” and “performance art” itself also change.

The Fund has consistently identified emerging talent in advance of wider artworld recognition: Karen Finley and Holly Hughes received support before the “culture wars” made their names household words; artists of color such as Papo Colo, Tanya Barfield, Patty Chang and Pamela Sneed received support at crucial, early points in their careers, facilitating access to commercial venues. We believe this success is due to the composition of Franklin Furnace's peer panels, representing a diverse range of practice, ethnic and cultural background, sexual preference, age and physical ability, as well as familiarity with new technology.

**Sequential Art For Kids:** Since 1985, Franklin Furnace has sponsored arts-in-education workshops in New York City public schools, led by professional artists including book- and paper-makers, performance artists, collectors, videographers, photographers and animators. SAK continues to be a literacy program taught in NYC public schools by artists who use sequential art media -- artists' books, performance art, photography, film and video -- to enhance literacy and cognitive development among children. Franklin Furnace collaborated with P.S. 52, Sheepshead Bay, Brooklyn, from 1997 to 2007.

In the spring of 2006, Brooklyn, in 2005-06, Franklin Furnace mounted a new pilot partnership with P.S. 20, the Clinton Hill Elementary School, located on Adelphi Street near Franklin Furnace's new headquarters in 80 Arts—The James E. Davis Arts Building. In 2006-07, four teaching artists, Bernard Fairclough, Ron Littke, Alva Rogers and Harley Spiller, taught ten-week SAK workshops in their fields of photography, video, literature and museum practice.

**The Unwritten History Project:** Since its inception in 1976, Franklin Furnace has presented what has come to be known as “variable media” art work -- works that take on new dimensions in each iteration. These works challenge the bounds of genre, varying in the meanings they take on contextually as well as in their physical deployment. The Unwritten History Project is Franklin Furnace's plan to make all of its archival event records accessible online. On May 11, 2006, the organization received notification that its proposal to the National Endowment for the Humanities--to digitize and publish on its website --[www.franklinfurnace.org](http://www.franklinfurnace.org)--records of performances, installations, exhibits and other events produced by the organization during its first ten years—had been funded. This project will create electronic access to what are now the only remaining artifacts of these singular works of social, political and cultural expression.

On July 7, 2006, ARTstor and Franklin Furnace announced a collaboration agreement, ARTstor's first with an “alternative space.” ARTstor is an educational initiative launched by The Andrew W. Mellon Foundation; ARTstor became an independent non-profit in 2004. Its principal goal is to develop a digital archive of art images for non-commercial use in educational settings. ARTstor is now available at more than 600 art schools, colleges, museums, and universities (from

283  
STATEMENT 12

large research universities to dozens of community colleges); more information may be found at [www.artstor.org](http://www.artstor.org)

In 2006-07, Franklin Furnace and ARTstor collaborated on cataloging and digitizing a testbed of 26 event files, one for each letter of the alphabet, in order to gauge the range of issues that would be encountered in documenting "variable media" works of art. Together we agreed that we should set aside digitizing video for a future time. Additionally, Franklin Furnace examined the 80 group exhibition files created during the organization's first ten years, some involving over 200 artists; the decision was made to prioritize digitization of event records of individual artists.

### **Exhibitions, Performances and Publications**

On Friday, April 27, Franklin Furnace celebrated its 30<sup>th</sup> birthday with a benefit evening entitled "The History of the Future: A Franklin Furnace View of Performance Art." Co-curated by C. Carr, RoseLee Goldberg and Martha Wilson, this event presented live and recorded performance art works which changed cultural discourse during the last three decades. **The History of the Future** included live performances by **Karen Finley, Murray Hill, Ishmael Houston-Jones, Tom Murrin, Julie Atlas Muz, Reverend Billy, Alba Sanchez, Michael Smith and Martha Wilson.**

Artists whose recorded work was represented in the event include **Moe Angelos and Peggy Healy, Ron Athey, Blue Man Group, Eric Bogosian, Patty Chang, Nicolas Dumit Estevez, John Fleck, Coco Fusco and Guillermo Gomez- Peña, Grupo 609, Tehching Hsieh, Holly Hughes, John Jesurun, Joshua Kinberg and Yury Gitman, The Kipper Kids, Ana Mendieta, Tim Miller, Mouchette, William Pope.L, Martha Rosler, Sapphire, Stuart Sherman, Annie Sprinkle, Jack Waters, William Wegman and Man Ray, Wooloo Productions, Adrienne Wortzel, X-Cheerleaders and Ricardo Miranda Zúñiga.**

**The History of the Future** honored **Marina Abramovic, Simone Forti, Claes Oldenburg, Yoko Ono, Yvonne Rainer and Carolee Schneemann** for their pioneering performance work and Judson **Memorial Church** for its role as a cradle of experiment.

From March 26 to June 22, 2007, Franklin Furnace hosted its first Arts Council England artist in residence, Anne Bean. During her three-month residency, she prepared an exhibition entitled "The Future of the History," collaborating with ten artists whose work had been exhibited by Franklin Furnace in the past in "conversations" leading to artworks prepared by Ms. Bean and exhibited in SPACE, a gallery in the South Street Seaport on the corner of Front and Beekman Streets. A reception and performance took place on June 6.

From June 18 to 25, 2007, "Five Alive from the Franklin Furnace" was presented in the Old City of Prague, Czech Republic. Artists selected by Sodja Lotker, Director of the Theater Institute of Prague, and Martha Wilson, Founding Director of Franklin Furnace, were as follows: Nicolas Dumit Estevez, "In His Shoes"; Yvette Helin, "Pedestrian Project"; Julie Laffin, "Shield"; Pat Oleszko, "Peep Show"; and William Pope.L, "Holiday." These public performances were made possible by funding from the Trust for Mutual Understanding.

373  
STORON 12

FRANKLIN FURNACE ARCHIVES, INC  
 Form 990 Part II Line 22  
 GRANTS PAID TO ARTISTS  
 FYE 7/31/2007

ID # 13-2879766

<u>ARTISTS' NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>
Bowyer, Taylor Mac	32 Gramercy Park South, Apt 3C NY, NY 10003	3,600
Bufarno, Lisa	378 Grand Ave Apt 303 Oakland CA 94610	4,000
Canella, Melissa	145 Withers St., Brooklyn, NY 11211	500
Charles Dennis Productions	599 20th St., Brooklyn, NY 11218	350
Corrington, Jerome	80 Hanson Place, Ste 303 Brooklyn , NY 11217	200
Dobson, Kelly	20 Ames St #15-020C, Cambridge, MA	4,000
Estevez, Nicolas Dumit	756 Beck St., Bronx, NY 10455	1,000
Fairclough, Bernard A.	382 Bergen St., Brooklyn NY 11217	5,000
Felix-Didier, Paula	Gurrachaga 1360 N.8, Buenos Aires Argentina	1,340
Fleck, John	3377 Ley Drive, Los Angeles, CA 90027	100
Gallagher, Betsey	16 Judge St., 2L, New York, NY 11211	100
Gilmore, Kate	421 West 24th St., 4C, New York, NY 10011	4,000
Goldberg, Rose Lee	327E 18th St., New York, NY 10003	400
Grullon, Alicia Cristina	3966 Hillman Ave., Bronx, NY 10463	3,600
Helin, Yvette	61 Greenpoint Ave., Brooklyn, NY 11222	500
Hodge, Wayne	101 West 140 St., Apt 30, New York, NY 10030	3,600
Holder, Kanene	62 E 125th St., Apt 2E, New York, NY 10035	3,600
Houston-Jones, Ishmael	524 E 13th St., Apt D4, New York, NY 10009	100
Jesurun, John	227 West 11th St., 3B, New York, NY 10014	4,000
Khang, David	503-1128 Quebec St., Vancouver, BC, Canada	4,000
Kraevh, Yana	80 Hanson Place, Ste 303 Brooklyn , NY 11217	100
L. William Pope	102 Nichols St., 2nd Flr., Lewiston, ME 04240	1,000
Laffin, Julie	200 Church St., Harvard, IL 60033	1,000
Littke, Ron	401 Eight Ave., No. 32, Brooklyn, NY 11215	2,500
Lofton, Ramona	521 42nd St., Apt #4, Brooklyn, NY 11232	300
Ludin, Diane	72 S. 8th St., #4, Brooklyn, NY 11211	4,000
Murrin, Tom	155 Ridge St., #3H New York, NY 10022	100
Muz, Julie Atlas	473 FDR Drive #1403 New York, NY 10002	100
Nevarez, Angel	611 Broadway, #836 New York NY 10012	4,000
Newsome, Rashaad	478A Lafayette Ave., Brooklyn, NY 11205	4,000
Obadke, Mendi Lewis	47 N. Fullerton Ave., #41, Montclair NJ 07042	300
Oleszko, Pat	190 Duane St., New Yrk, NY 10013	1,000
Paladin Consulting	80 Hanson Place, Ste 303 Brooklyn , NY 11217	1,180
Paraiso, Nicky	144 E. 7th St, #C1 New York, NY 10009	300
Peavy, Jessica Ann	563 W 184 St., #1A New York, NY 10033	3,600
Pollak, Jenny	179 Washington Partk #3 Brooklyn, NY 11205	300
Ramirez-Figueroa Juan	Apt 1N West Roscoe St., Chicago, IL 60657	4,000
Ransick, Robert	37-22 80 St #52 Jackson Heights, NY 11372	3,600
Rogers, Alva	35-02 72nd St., Jackson Heights NY 11372	5,000
Sanchez, Alba	3226 Pearsall Ave Bronx, NY 10469	130
Schneermann, Carolee	437 Springtown Road, New Paltz, NY 12561	100
Smith, Michael	175 N 9th St., Brooklyn, NY 11211	100
Spiller, Harvey	501 East 78th St #2E, New York, NY	2,500
Talen, Bill	317 B Greenwood Ave., Brooklyn, NY 11218	350
Wilson, Martha	80 Hanson Place, Ste 303 Brooklyn , NY 11217	200
		<u>83,750</u>

*Gain (Loss) on Sale of Other Assets*

Description	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed or Allowable	Cost or Other Basis	Gain or (Loss) for entire year
LINE B Col. B ARTWORK-R. MANGOLD	07/01/2005	10/18/2006	4,500.		6,500.	-2,000.
<b>Totals</b>						<b>-2,000.</b>

Description of Property  
GENERAL DEPRECIATION

**DEPRECIATION**

Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv.	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
FURNITURE & FIXTUR	08/01/1987	18,427.	100.000			18,427.	18,427.	18,427.	SL		7.000				
OFFICE EQUIPMENT	08/01/1987	491.	100.000			491.	491.	491.	SL		5.000				
COMPUTER	08/01/1989	2,111.	100.000			2,111.	2,111.	2,111.	SL		5.000				
COMPUTER	02/01/1991	6,320.	100.000			6,320.	6,320.	6,320.	SL		5.000				
OFFICE EQUIPMENT	08/01/1990	855.	100.000			855.	855.	855.	SL		5.000				
FIXTURE - STEEL SH EQUIPMENT	08/01/1991	2,026.	100.000			2,026.	2,026.	2,026.	DB		7.000				
OFFICE EQUIPMENT	12/20/1993	5,885.	100.000			5,885.	5,885.	5,885.	DOB		5.000				
OFFICE EQUIPMENT	03/01/1998	3,604.	100.000			3,604.	3,604.	3,604.	SL		5.000				
COMPUTER EQUIPMENT	02/01/1998	6,884.	100.000			6,884.	6,884.	6,884.	SL		5.000				
COMPUTER EQUIPMENT	02/07/1999	2,828.	100.000			2,828.	2,828.	2,828.	SL		5.000				
COMPUTER EQUIPMENT	06/08/2000	1,627.	100.000			1,627.	1,627.	1,627.	SL	MQ	5.000				
DIGITAL VID CAMERA	05/30/2002	2,296.	100.000			2,296.	2,296.	2,296.	200DB	MQ					130.
TAPE RESOURCE	12/01/2002	952.	100.000			952.	788.	842.	200DB	HY					54.
SONY LAPTOP	02/11/2004	1,850.	100.000			1,850.	1,317.	1,672.	200DB	HY					355.
SHELVINGS	09/10/2004	2,150.	100.000			2,150.	833.	1,209.	200DB	HY					376.
COMPUTER	02/15/2005	10,361.	100.000			10,361.	5,388.	7,377.	200DB	HY					1,989.
BLINDS	08/09/2005	614.	100.000			614.	88.	238.	200DB	HY					150.
COPIER- STAPLES	07/05/2005	600.	100.000			600.	120.	312.	200DB	HY					192.
B & H PHOTO EQPT	11/10/2006	1,219.	100.000			1,219.		244.	200DB	HY					244.
Less: Retired Assets															
Subtotals															

**Listed Property**

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
Less: Retired Assets							
Subtotals							
<b>TOTALS</b>							

**AMORTIZATION**

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
Less: Retired Assets							
Subtotals							
<b>TOTALS</b>							

\*Assets Retired  
JSA  
6X9024 1.000

STAT 18 2  
STAT 15



**HECHT & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

111 WEST 40th STREET  
NEW YORK, N.Y. 10018—  
(212) 819-8000  
FAX (212) 302-0973**TO: FRANKLIN FURNACE ARCHIVE, INC.****INSTRUCTIONS FOR FILING ATTACHED TAX RETURN**

RETURN ENCLOSED (FOR YEAR) 07/31/2007	<u>FORM CHAR500 ANNUAL FILING FOR CHARITABLE ORGANIZATIONS</u>
TO BE SIGNED AND DATED BY	THE CERTIFICATION IN SECTION 2 IS TO BE SIGNED BY TWO OFFICERS.
AMOUNT OF TAX	<u>\$125</u>
MAKE CHECKS PAYABLE TO	NEW YORK STATE DEPARTMENT OF LAW
MAIL RETURN UPON RECEIPT	NEW YORK STATE DEPARTMENT OF LAW OFFICE OF THE ATTORNEY GENERAL CHARITIES BUREAU - REGISTRATION SECTION 120 BROADWAY NEW YORK, NY 10271
OVERPAYMENT	N/A
REMARKS	<p>—ENTER " FILE #02-28-18" AND "2006 ANNUAL REPORT" ON PAYMENT CHECK</p> <p>—TO DOCUMENT THE TIMELY FILING OF YOUR TAX RETURN, WE SUGGEST THAT IT BE MAILED BY EITHER REGISTERED OR CERTIFIED MAIL WITH RETURN RECEIPT REQUESTED AND SENDER'S RECEIPT POSTMARKED</p> <p style="text-align: center;"><b>RETAIN THIS SHEET – DO NOT MAIL</b></p>



This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 005)

**Open to Public Inspection**

**1. General Information**

a. For the fiscal year beginning (mm/dd/yyyy) 08/01 / 2 0 0 6 and ending (mm/dd/yyyy) 07/31/2007

b. Check if applicable for NYS:

- Address change
- Name change
- Initial filing
- Final filing
- Amended filing
- NY registration pending

c. Name of organization <b>FRANKLIN FURNACE ARCHIVE, INC.</b>	
Number and street (or P.O. box if mail not delivered to street address)	Room/suite
<b>80 HANSON PLACE</b>	<b>301</b>
City or town, state or country and zip + 4 <b>BROOKLYN, NY, 11217</b>	

d. Fed. employer ID no. (EIN) (##-####-###)	<b>13-2879766</b>
e. NY State registration no. (##-##-##)	<b>02-28-18</b>
f. Telephone number	<b>(718) 398-7255</b>
g. Email	

**2. Certification - Two Signatures Required**

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

a. President or Authorized Officer

Signature	Printed Name	Title	Date
-----------	--------------	-------	------

b. Chief Financial Officer or Treasurer

Signature	Printed Name	Title	Date
-----------	--------------	-------	------

**3. Annual Report Exemption Information**

a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants)

Check  if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 **and** the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

**NOTE:** An organization may also check the box to claim this exemption if no PFR or FRC was used **and** either: 1) the organization received an allocation from a federated fund, United Way or incorporated community appeal **and** contributions from all other sources did not exceed \$25,000 **or** 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A).

b. EPTL annual report exemption (EPTL registrants and dual registrants)

Check  if total gross receipts for this fiscal year did not exceed \$25,000 **and** the assets (market value) of the organization did not exceed \$25,000 at any time during this fiscal year.

For EPTL or Article-7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.

*Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.*

**4. Article 7-A Schedules**

If you did **not** check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? . . .  Yes\*  No

\* If "Yes", complete Schedule 4a.

b. Did the organization receive government contributions (grants)? . . . . .  Yes\*  No

\* If "Yes", complete Schedule 4b.

**5. Fee Submitted:** See last page for summary of fee requirements.

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee . . . . .	\$ <u>25.</u>	<b>Submit only one check or money order for the total fee, payable to "NYS Department of Law"</b>
b. EPTL filing fee . . . . .	\$ <u>100.</u>	
c. Total fee . . . . .	\$ <u>125.</u>	

**6. Attachments:** For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments.

**Schedule 4b: Government Contributions (Grants)**

If you checked the box in question 4.b. on page 1, complete the following schedule for each government contribution (grant). Use additional copies of this page if necessary to list each government contribution (grant) separately.

Government Agency Name	Grant Amount
NYS COUNCIL ON THE ARTS	\$ 70,000.
ARTS COUNCIL ENGLAND	\$ 11,582.
UNIVERSITY OF CALIFORNIA	\$ 7,301.
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Government Contributions (Grants)</b>	\$ <b>88,883.</b>

## 5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
----------------------------------	------------------

- Article 7-A Calculate the Article 7-A filing fee using the table in part a below. The EPTL filing fee is \$0.
- EPTL Calculate the EPTL filing fee using the table in part b below. The Article 7-A filing fee is \$0.
- Dual Calculate both the Article 7-A and EPTL filing fees using the tables in parts a and b below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a single check or money order for the total fee.

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than \$250,000	\$25
up to \$250,000 *	\$10

\* Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of \$25, regardless of total support and revenue.

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than \$50,000	\$25
\$50,000 or more, but less than \$250,000	\$50
\$250,000 or more, but less than \$1,000,000	\$100
\$1,000,000 or more, but less than \$10,000,000	\$250
\$10,000,000 or more, but less than \$50,000,000	\$750
\$50,000,000 or more	\$1500

## 6. Attachments - Document Attachment Check-List

Check the boxes for the documents you are attaching.

<b>For All Filers</b>		
<b>Filing Fee</b>		
<input checked="" type="checkbox"/> Single check or money order payable to "NYS Department of Law"		
<b>Copies of Internal Revenue Service Forms</b>		
<input checked="" type="checkbox"/> IRS Form 990	<input type="checkbox"/> IRS Form 990-EZ	<input type="checkbox"/> IRS Form 990-PF
<input checked="" type="checkbox"/> Schedule A to IRS Form 990	<input type="checkbox"/> Schedule A to IRS Form 990-EZ	<input type="checkbox"/> Schedule B to IRS Form 990-PF
<input checked="" type="checkbox"/> Schedule B to IRS Form 990	<input type="checkbox"/> Schedule B to IRS Form 990-EZ	<input type="checkbox"/> IRS Form 990-T
<input type="checkbox"/> IRS Form 990-T	<input type="checkbox"/> IRS Form 990-T	

<b>Additional Article 7-A Document Attachment Requirement</b>
<b>Independent Accountant's Report</b>
<input checked="" type="checkbox"/> Audit Report (total support & revenue more than \$250,000)
<input type="checkbox"/> Review Report (total support & revenue \$100,001 to \$250,000)
<input type="checkbox"/> No Accountant's Report Required (total support & revenue not more than \$100,000)

**FRANKLIN FURNACE ARCHIVE, INC.**

**FINANCIAL STATEMENTS**

**JULY 31, 2007**

**FRANKLIN FURNACE ARCHIVE, INC.**

**Table of Contents**

**July 31, 2007 and 2006**

---

	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-9
<b>Supplementary Information</b>	
Schedule of Functional Expenses - 2007	10
Schedule of Functional Expenses - 2006	11

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Franklin Furnace Archive, Inc.

We have audited the accompanying statements of financial position of Franklin Furnace Archive, Inc. as of July 31, 2007 and 2006 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Franklin Furnace Archive, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Franklin Furnace Archive, Inc. as of July 31, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

August 27, 2008

HECHT AND COMPANY P.C.

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Statements of Financial Position**  
**July 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$ 138,750	\$ 75,219
Certificate of deposit (Note 6)	50,000	50,000
Grants receivable (Note 2)	63,030	170,313
Investment in securities (Note 3)	254,620	228,856
Prepaid expenses and other current assets (Note 4)	962	2,919
Works of art	37,300	43,800
Property and equipment, at cost, less accumulated depreciation (Note 5)	10,043	8,123
Security deposits	<u>5,164</u>	<u>5,164</u>
Total assets	<u>\$ 559,869</u>	<u>\$ 584,394</u>
<b>LIABILITIES</b>		
Note payable (Note 6)	\$ 22,851	\$ 35,667
Accounts payable and other liabilities	64,065	91,167
Payroll and payroll taxes payable	<u>15,737</u>	<u>18,327</u>
Total liabilities	<u>102,653</u>	<u>145,161</u>
<b>Commitments and contingencies (Note 7)</b>		
<b>NET ASSETS</b>		
Unrestricted	328,825	243,371
Temporarily restricted	<u>128,391</u>	<u>195,862</u>
Total net assets	<u>457,216</u>	<u>439,233</u>
Total liabilities and net assets	<u>\$ 559,869</u>	<u>\$ 584,394</u>

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Statements of Activities**  
**For the Years Ended July 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Changes in unrestricted net assets</b>		
Unrestricted revenues and gains		
Contributions	\$ 162,367	\$ 47,800
Government grants	88,883	71,268
Membership	52,304	82,833
Event income, net of expenses of \$14,210	5,695	-
Interest, dividends and other income	15,745	16,625
Unrealized gain on securities	13,129	735
Gain (loss) on sale of works of art	(2,000)	15,871
Donated works of art	-	20,000
Total unrestricted revenues and gains	<u>336,123</u>	<u>255,132</u>
Net assets released from restrictions		
Satisfaction of program restrictions	77,000	41,000
Total unrestricted revenues and other support	<u>413,123</u>	<u>296,132</u>
 Expenses		
Visual arts	171,208	237,477
Education	33,496	18,951
Management and general	87,074	79,403
Fund raising	35,891	37,235
Total expenses	<u>327,669</u>	<u>373,066</u>
 <b>Increase (decrease) in unrestricted net assets</b>	 <u>85,454</u>	 <u>(76,934)</u>
 <b>Changes in temporarily restricted net assets</b>		
Contributions	9,529	195,862
Net assets released from restrictions	(77,000)	(41,000)
 <b>Increase (decrease) in temporarily restricted net assets</b>	 <u>(67,471)</u>	 <u>154,862</u>
 <b>Increase in net assets</b>	 17,983	 77,928
 <b>Net assets - beginning</b>	 <u>439,233</u>	 <u>361,305</u>
 <b>Net assets - end</b>	 <u>\$ 457,216</u>	 <u>\$ 439,233</u>



**FRANKLIN FURNACE ARCHIVE, INC.**  
**Statements of Cash Flows**  
**For the Years Ended July 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 17,983	\$ 77,928
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,538	4,780
Unrealized gain on securities	(13,129)	(735)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	107,283	(157,813)
Increase in prepaid expenses and other current assets	1,957	2,919
Increase in works of art	6,500	20,000
Increase (decrease) in accounts payable and other liabilities	(27,102)	44,165
Increase (decrease) in payroll and payroll taxes payable	(2,590)	6,959
Total adjustments	<u>77,457</u>	<u>(125,563)</u>
Net cash provided by (used in) operating activities	<u>95,440</u>	<u>(47,635)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(6,458)	(1,214)
Purchase of marketable securities	(12,635)	-
Proceeds from sale of marketable securities	-	9,130
Net cash used in investing activities	<u>(19,093)</u>	<u>(10,344)</u>
<b>Cash flows from financing activities</b>		
Payment of note payable	(12,816)	(12,797)
Net cash used in financing activities	<u>(12,816)</u>	<u>(12,797)</u>
<b>Net increase (decrease) in cash</b>	63,531	(70,776)
<b>Cash - beginning</b>	<u>75,219</u>	<u>145,995</u>
<b>Cash - end</b>	<u>\$ 138,750</u>	<u>\$ 75,219</u>
<b>Supplemental disclosures of cash flow information</b>		
Interest paid	<u>\$ 7,912</u>	<u>\$ 1,801</u>

# FRANKLIN FURNACE ARCHIVE, INC.

## Notes to Financial Statements

July 31, 2007 and 2006

---

### Note 1 - Summary of Significant Accounting Policies

#### **Business**

Franklin Furnace Archive, Inc. (the "Organization") is a non-profit corporation chartered by the State of New York. Franklin Furnace Archive, Inc. provides a public archive of books produced by artists as artworks, and maintains an exhibition space for such works; catalogs and preserves examples of artists' books; curates and rents traveling exhibits of artists' books; exhibits rare artists' books and collections seldom seen by the public; provides performance space for artist-writers; provides information and encourages exchange of information between the artistic community and the public. The Organization receives its funding primarily from government, foundation and corporate sponsors.

#### **Fair Value of Financial Instruments**

The carrying amount of cash, certificate of deposit, grants receivable and accounts payable and other liabilities reported in the statement of financial position approximates fair value due to the short-term maturity of these financial instruments. The carrying amount of note payable approximates fair value as it bears market interest rates.

#### **Promises To Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Notes to Financial Statements**  
**July 31, 2007 and 2006**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Investment in Securities**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains or losses are included in the statement of activities.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is provided by the straight-line or accelerated method over the estimated useful lives of the assets.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to credit risk consist principally of cash in financial institutions, which from time to time, exceeds Federal deposit insurance limits.

**Use of Estimates**

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

**Temporarily Restricted Net Assets**

Temporarily restricted net assets include grants receivable and funds received which have not yet been spent on program services.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Notes to Financial Statements**  
**July 31, 2007 and 2006**

---

**Note 2 - Grants Receivable**

Grants receivable consist of the following:

	<u>2007</u>	<u>2006</u>
National Endowment for the Humanities	\$ 62,030	\$ 84,030
Foundation for Contemporary Art	1,000	-
Jerome Foundation	-	77,000
NYC Department of Cultural Affairs	-	9,200
Other	-	83
	<u>\$ 63,030</u>	<u>\$ 170,313</u>

**Note 3 - Investment in Securities**

As of July 31, 2007, investments are stated at fair value and consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
International bonds	\$ 89,450	\$ 79,446
Mutual funds	136,939	175,174
	<u>\$ 226,389</u>	<u>\$ 254,620</u>

**Note 4 - Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consist of the following:

	<u>2007</u>	<u>2006</u>
Insurance	\$ 962	\$ 1,010
Rent	-	1,509
Storage	-	400
	<u>\$ 962</u>	<u>\$ 2,919</u>

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Notes to Financial Statements**  
**July 31, 2007 and 2006**

---

**Note 5 - Property and Equipment**

Property and equipment consist of the following:

	<u>2007</u>	<u>2006</u>
Office equipment	\$ 8,451	\$ 8,451
Furniture and fixtures	23,217	23,217
Computer and video equipment	44,671	38,213
	<u>76,339</u>	<u>69,881</u>
Accumulated depreciation	66,296	61,758
	<u>\$ 10,043</u>	<u>\$ 8,123</u>

**Note 6 - Note Payable**

In May 2004, the Organization refinanced its existing obligation with the Nonprofit Finance Fund, which is payable in 60 monthly payments, through May 1, 2009, with interest at the rate of 1% per annum. The obligation is collateralized by a \$50,000 certificate of deposit.

Maturities of note payable for the next two years are as follows:

<u>Year ending July 31,</u>	<u>Amount</u>
2008	\$ 13,021
2009	9,830
	<u>\$ 22,851</u>

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Notes to Financial Statements**  
**July 31, 2007 and 2006**

---

**Note 7 - Commitments and Contingencies**

**Leases**

The Organization conducts its operations from facilities leased under operating leases expiring through September 2014. Future minimum annual payments required under the noncancelable operating leases having terms in excess of one year as of July 31, 2007 for each of the next five years and in the aggregate are:

<u>Year ended July 31,</u>	<u>Amount</u>
2008	\$ 21,800
2009	22,500
2010	23,100
2011	23,800
2012	24,500
Subsequent to 2012	55,700
Total minimum future rental payments	<u>\$ 171,400</u>

Rent expense for the years ended July 31, 2007 and 2006 amounted to \$21,217 and \$20,562, respectively.

**Governmental Projects**

Government supported projects are subject to audit by the applicable government granting agencies.

**SUPPLEMENTARY INFORMATION**

**FRANKLIN FURNACE ARCHIVE, INC.**  
**Schedule of Functional Expenses**  
**For the Year Ended July 31, 2007**

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 48,802	\$ 12,201	\$ 48,259	\$ 12,740	\$ 122,002
Honoraria	64,450	17,500	-	1,800	83,750
Consulting	24,727	-	-	-	24,727
Public relations and advertising	-	-	-	9,871	9,871
Rent and utilities	11,174	2,122	10,094	4,597	27,987
Postage and printing	202	-	1,394	3,368	4,964
Supplies	1,500	-	1,802	1,730	5,032
Telephone	934	267	1,349	122	2,672
Professional fees	8,909	-	3,685	-	12,594
Insurance	1,967	-	1,739	152	3,858
Office expense and maintenance	603	728	2,916	933	5,180
Documentation	100	-	-	-	100
Travel	2,977	-	1,541	-	4,518
Storage	4,506	678	1,016	-	6,200
Interest, fees and bank charges	-	-	8,178	-	8,178
Miscellaneous	357	-	563	578	1,498
Expenses before depreciation	171,208	33,496	82,536	35,891	323,131
Depreciation	-	-	4,538	-	4,538
Total functional expenses	\$ 171,208	\$ 33,496	\$ 87,074	\$ 35,891	\$ 327,669

*See Independent Auditor's Report*



**FRANKLIN FURNACE ARCHIVE, INC.**  
**Schedule of Functional Expenses**  
**For the Year Ended July 31, 2006**

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 40,959	\$ 10,240	\$ 40,504	\$ 10,693	\$ 102,396
Honoraria	136,723	5,750	-	8,922	151,395
Consulting	26,544	-	4,538	-	31,082
Public relations and advertising	-	-	-	4,065	4,065
Rent and utilities	9,526	2,056	9,148	3,710	24,440
Postage and printing	114	-	704	2,480	3,298
Supplies	3,879	-	5,846	4,473	14,198
Telephone	1,413	404	2,040	185	4,042
Professional fees	7,556	-	3,125	-	10,681
Insurance	1,789	-	1,581	139	3,509
Office expense and maintenance	115	31	123	39	308
Documentation	1,566	-	-	-	1,566
Travel	2,609	-	1,350	-	3,959
Storage	3,125	470	705	-	4,300
Interest, fees and bank charges	-	-	2,307	-	2,307
Miscellaneous	1,559	-	2,652	2,529	6,740
Expenses before depreciation	237,477	18,951	74,623	37,235	368,286
Depreciation	-	-	4,780	-	4,780
Total functional expenses	\$ 237,477	\$ 18,951	\$ 79,403	\$ 37,235	\$ 373,066

*See Independent Auditor's Report*