



PEEKSKILL EDUCATION FOUNDATION

P. O. Box 489 • Peekskill, New York 10566

Telephone: 914.461.3275

info@peekskilleducationfoundation.org

www.peekskilleducationfoundation.org

ANNUAL REPORT 2006

with Organizational Goals & Accomplishments

Background and Mission

The Peekskill Education Foundation (PEF) is a not-for-profit, 501(c)(3), community based organization dedicated to enriching and expanding the educational experiences and opportunities of students within the Peekskill City School District. It was started in November 2002 by a group of concerned citizens working in close cooperation with the Peekskill City School District. The PEF's goals are to raise funds to support and develop new program initiatives designed to:

- Improve academic achievement in reading, science and math;
- Expand cultural enrichment experiences and opportunities in music and the arts;
- Create new opportunities for higher education for the district's students;
- Assist with equipment purchases and physical improvements to the district's schools;
- Identify and foster partnerships between residents, business and the Peekskill City Schools in order to develop a higher level of community involvement and financial support.

Programmatic Support Areas and Accomplishments

To meet its goals, the PEF funds and initiates a wide variety of academic and cultural programs within the Peekskill City School District. The timing and initiation of such programs is dependent on the Foundation's ability to raise funds and the needs identified by the PEF's funding/grants committee and the Peekskill City School District. Some of the specific types of programs that the PEF has funded, or intends to support in the future, include the following:

- **New and Expanded Arts & Science Initiatives.** The PEF seeks to establish high quality, distinguished speakers series in sciences and engineering, bring in nationally known dance or music performances, and sponsor in-residence artist, musician, and author programs in order to enrich the local education experience and to expose students to all realms of future endeavors.

In 2004, the PEF funded an Artist-in-Residence Program at Uriah Hill that provided hands-on art assistance and support for the school's pre-K students. In 2005, the PEF brought the internationally known, and Peekskill-based, Rebel Baroque Orchestra to the Paramount Theater for a special music education and appreciation concert for students in grades K-9. The program introduced the students to a form of music and instrumentation not typically heard by today's students.

- **Teacher Incentive and Education Grants.** The PEF provides mini-grants to teachers to foster innovation in the classroom and to keep Peekskill teachers at the forefront of their field.

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In 2004, the PEF awarded over \$4,500 to support programs such as a Parent-Child Book Club in the Peekskill Middle School, a Tree Identification and Mapping project for 4th grade students, and an artist-in-residence program for pre-K students at Uriah Hill.

In 2005, the PEF formalized its classroom grant program for teachers and administrators by creating the PEF Promise Grant Program, which offers grants of up to \$1,000 to both teachers and administrators to create innovative classroom projects that foster new learning and cultural enrichment opportunities for Peekskill students. The PEF awarded more than \$4,000 under the Promise Grant program for projects such as a World Drumming and Percussion Instrument Music program for 3rd and 4th grade students at Woodside School, a Terrestrial Ecosystem Study Program for special education students at Peekskill High School, and a Reading and Beading Literacy program for High School students that combines the art of beading with listening to and discussing books.

- **Special Equipment Purchases.** The PEF seeks to raise funds to purchase, and/or support the purchase of, needed educational and recreation equipment not included in the school district's budget or where sufficient funds are not in place but a pressing need is identified. Types of purchases that the PEF will consider include musical instruments, so that every student can have the opportunity to participate in this enriching and important educational experience, playground and athletic equipment to enhance physical education and health, and technology related equipment in order to provide students with state-of-the-art educational opportunities.

In 2004, the PEF awarded \$3,500 to the Peekskill City School District for the purchase of new library books for the District's six school libraries.

In addition to the programmatic areas described above, the PEF's long-term plans also include undertaking initiatives in the following areas as well:

- **Academic Scholarship Programs.** As the Foundation's resources grow, the PEF intends to provide small incentive scholarships for talented students who need extra funds to pursue a college education.
- **Enhanced Advanced Placement Programs.** To further foster and encourage academic achievement, the PEF will seek to supplement and/or enhance the high school's Advanced Placement programs with specialized programs that meet nationally recognized standards.
- **New Program Initiatives.** The PEF will also serve as a catalyst and funding vehicle for new program initiatives identified by teachers, administrators, or the public. These may include, but not be limited to, preparing grant applications to government agencies or private foundations to support specialized reading programs, health and nutrition initiatives, mentoring programs, or other needed programs and services that will have a direct and positive impact on the educational enhancement and success of Peekskill students.

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2005–2006 Initiatives and Activities

Over the past year, the PEF has continued to raise funds and initiate projects that support and enhance programs within the Peekskill City School District. This includes holding two fundraisers, setting up a Technology Committee to address the ongoing technology needs of the School District, establishing Arts & Education and Emergency Equipment Funds, and awarding additional classroom grants under the PEF's Promise Grant program. The PEF also setup a website for marketing the PEF's programs and services and as another means for soliciting donations from the Peekskill community.

- **Fundraising.** The PEF held two fundraising events over the past year. This included it's annual dance held in early March and a smaller event held at the Hudson Valley Center for Contemporary Art. The PEF's 2005 dance party, Here Comes The Sun, was attended by over 100 people and raised close to \$12,000. This was followed by a party held at the Hudson Valley Center for Contemporary Art (HVCCA) on June 1st, which raised approximately \$1,600. This was the second year of this event, which has as its primary goal the linking of the school district with the local arts community. The PEF also used this event to honor the teachers who received Promise grants this past year and to honor the district's longtime music director, Tom Piliouras.
- **Teacher Grants.** The PEF awarded \$3,850 in teacher grants through its Promise Grant program over the past fiscal year. This included a highly innovative program at Oakside School that will attempt to teach art and science skills to 1st and 2nd grade students by planting and growing Monet's Garden, as well as the teaching of business and marketing skills to 3rd and 4th grade students through the creation of an in-school store, operated by students, at Woodside Elementary School. Other projects funded included a Dinosaur Museum for pre-K students at Uriah Hill and the continued funding of the highly successful Reading and Beading program at Peekskill High School.
- **Music Program Support.** The PEF announced in June 2006 a donation of \$3,000 to be made to the district's music program for the purchase of instruments and other music related equipment and supplies.
- **Technology.** Through its Technology Committee, the PEF worked with an IBM employee to help the district secure close to \$10,000 in computer equipment.
- **Community Partnerships.** The PEF served as a co-sponsor, with the Peekskill City School District and other Westchester school districts, for a benefit concert held at the Paramount Center for the Arts in October 2005 to raise funds for the children of New Orleans impacted by Hurricane Katrina.

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Organizational Status

The Peekskill Education Foundation, Inc. was incorporated as a New York State not-for-profit corporation in November 2002 and received its designation as a 501(c)(3) tax-exempt organization from the IRS in June 2003 (see attached IRS determination letter).

The PEF is managed by an all-volunteer Board of Directors, currently made up of 14 members, each of whom serves a three-year term. The PEF Board also has 4 ex-officio members: the superintendent of the Peekskill Schools; the current President of the Peekskill Board of Education; a teacher representative from the Peekskill City School District; and a representative from the City of Peekskill Common Council. Four distinguished members of the Peekskill community also serve as Honorary Board members. A list of the current board members, and their work affiliations, can be found in the attachments to this report.

Financial Status: Revenue and Expenses

The Peekskill Education Foundation's revenue over the past year, and since its inception, is almost exclusively from individual and corporation donations.

As a relatively new organization with annual net revenue of less than \$25,000, the Peekskill Education Foundation does not have audited financial statements. Its Treasurer, a Certified Public Accountant, does maintain the organization's financial records according to generally recognized not-for-profit accounting standards and does provide monthly financial reports to the PEF's Board of Directors. For this report, a statement of revenue and expenses, and balance sheet, for the PEF's current fiscal year (July 1 - June 30) is attached.

Peekskill Education Foundation

BOARD OF DIRECTORS

Officers

President

Jeffrey Stern

Community Development
Consultant (self-employed)
Senior Graphic Designer
Page Printing
Peekskill, NY

Vice President

Janice Molloy

Associate Attorney
Fischer Brothers Attorneys At Law
New York, NY

Treasurer

Eugene Heyward

CPA/Tax Manager
Stinnes Corporation
Tarrytown, NY

Corresponding Secretary

Lise Prown

Lab Manager
Westchester Art Workshop
Westchester Community College
Peekskill, NY

Recording Secretary

Kathy Daley

Communications Officer
Peekskill City School District
Peekskill, NY

Board

Meg Benson

Senior Manager World-Wide
New Products
Concentrate Operations
Pepsi Cola International

Joseph Kleinmann

Science Teacher
Irvington High School
Irvington, NY

William C. Maxwell

Professor of Art
School of Arts and Sciences
The College of New Rochelle
New Rochelle, New York

Maria Pereira

Technical Communications
Telephone Help Desk
TJ Watson Center
Yorktown, NY

Jim Roberts

Editor/Writer (self-employed)
Peekskill, NY

Jeanette Sanderson

Freelance Writer
Peekskill, NY

Todd Scott

VP of Sales Distribution Sector,
East Region ~ IBM Americas
IBM Corporation
Somers, NY

Tony Seideman

Journalist/Freelance Writer
Peekskill, NY

Kathie Talbot

Clinical Supervisor
VIP Community Services
Bronx, NY

Ex-officio

Judith Johnson

Superintendent
Peekskill City School District

Connie Lobur

President, Board of Education
Peekskill City School District

Kay Barthelmes

Teacher Representative
Peekskill City School District

John G. Testa

Mayor, City of Peekskill
Technology Teacher, Peekskill
City School District

Honorary

Mel Bolden

Councilmember, City of Peekskill
Music Teacher, Peekskill City
School District

Rev. C. Allan Ford

Rector
St. Peters Episcopal Church
Peekskill, NY

Patrick Garvey

Chairman
Cavalry Security Group
Peekskill, NY

Robert Hersh

Attorney
Hersh & Hersh
Peekskill, NY

Allen Love

National Compliance Officer
Paypal
San Francisco/New York

Jon Yanofsky

Executive Director
Paramount Center for the Arts
Peekskill, NY

PEEKSKILL EDUCATION FOUNDATION
BALANCE SHEET

As of June 6,	2006
Assets:	
Cash	\$ 26,248
Marketable Securities	10,000
Deposits in Transit	1,600
Total Current Assets	\$ 37,848
Total Assets	\$ 37,848
Liabilities:	
Accounts Payable	\$ -
Total Liabilities	\$ -
Net Assets	
Unrestricted	\$ 25,848
Restricted	12,000
Total Net Assets	\$ 37,848
Total Liabilities & Net Assets	\$ 37,848

**Peekskill Education Foundation
Statement of Revenue and Expenses
and Cash Position**

	<u>July 1, 2005 - June 30, 2006</u>	<u>July 1, 2004 - June 30, 2005</u>
Cash Balance - Beginning	\$ 33,125.60	\$ 21,191.00
Income		
Fundraisers:		
Museum Fundraiser	1,600.00	5,140.00
Annual Dance	11,943.00	14,101.00
Other Donations	714.30	5,739.74
Total Income	<u>\$ 14,257.30</u>	<u>\$ 24,980.74</u>
Expenses		
Fundraisers:		
Museum Fundraiser	311.00	370.00
Annual Dance	1,698.40	2,222.31
Internet & Communication Expense	1,696.23	680.32
Grants and Donations	5,435.00	9,600.00
Miscellaneous Expenses	394.31	173.51
Total Expenses	<u>\$ 9,534.94</u>	<u>\$ 13,046.14</u>
Net Revenue for the Period	<u>\$ 4,722.36</u>	<u>\$ 11,934.60</u>
Cash Balance - End	<u>\$ 37,847.96</u>	<u>\$ 33,125.60</u>

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **JUN 23 2003**

PEESKILL EDUCATION FOUNDATION INC
PO BOX 489
PEESKILL, NY 10566

Employer Identification Number:
82-0566733
DLN:
17053142029013
Contact Person:
DEL TRIMBLE ID# 31309
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Foundation Status Classification:
509(a) (1)
Advance Ruling Period Begins:
November 25, 2002
Advance Ruling Period Ends:
June 30, 2007
Addendum Applies:
No

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make

Letter 1045 (DO/CG)

PEESKILL EDUCATION FOUNDATION INC

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period

PEESKILL EDUCATION FOUNDATION INC

that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories

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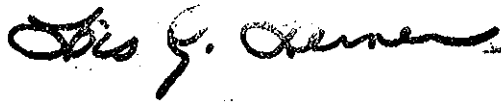
showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosure(s):
Form 872-C

**Consent Fixing Period of Limitation Upon
Assessment of Tax Under Section 4940 of the
Internal Revenue Code**

(Rev. September 1998)

Department of the Treasury
Internal Revenue Service

(See instructions on reverse side.)

To be used with
Form 1023. Submit
in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period,

Peekskill Education Foundation, Inc.

(Exact legal name of organization as shown in organizing document)

P.O. Box 489 Peekskill, NY 10566

(Number, street, city or town, state, and ZIP code)

} and the
District Director of
Internal Revenue, or
Assistant
Commissioner
(Employee Plans and
Exempt Organizations)

consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year June 30, 2003
(Month, day, and year)

Name of organization (as shown in organizing document) Peekskill Education Foundation, Inc.		Date 5/15/03
Officer or trustee having authority to sign Signature ▶ <i>Jeffrey Stern</i>		Type or print name and title Jeffrey Stern, President
For IRS use only		
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations) <i>Steph G. ...</i> Director, Exempt Organizations Rulings and Agreements		Date JUN 23 2003
By ▶ <i>L. Barker</i> Group Manager		