

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

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

A For the 2005 calendar year, or tax year beginning **7/01/05**, and ending **6/30/06**

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
BREWSTER EDUCATION FOUNDATION INC

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 320

City or town, state or country, and ZIP + 4
BREWSTER NY 10509-0320

D Employer identification no.
22-2553348

E Telephone number
845-473-7937

F Accounting method: Cash Accrual 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.BEF.ORG**

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require 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? Yes No (If "No," attach a list. See instr.)
- 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 ▶ **186,049**

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

		1a		1b		1c		1d	
1 Contributions, gifts, grants, and similar amounts received:									
a Direct public support		23,867							
b Indirect public support									
c Government contributions (grants)									
d Total (add lines 1a through 1c) (cash \$ 23,867 noncash \$)								23,867	
2 Program service revenue including government fees and contracts (from Part VII, line 93)								2	
3 Membership dues and assessments								3	
4 Interest on savings and temporary cash investments								4 731	
5 Dividends and interest from securities								5 12,022	
6a Gross rents		6a		6b				6c	
b Less: rental expenses									
c Net rental income or (loss) (subtract line 6b from line 6a)								6c	
7 Other investment income (describe)								7	
8a Gross amount from sales of assets other than inventory		(A) Securities 24,237		(B) Other 3,486		8a			
b Less: cost or other basis and sales expenses		23,662				8b			
c Gain or (loss) (attach schedule)		575		3,486		8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))		SEE STMT 1		SEE STMT 2		8d		4,061	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>									
a Gross revenue (not including \$ of contributions reported on line 1a)		9a 121,706		9b 77,697					
b Less: direct expenses other than fundraising expenses									
c Net income or (loss) from special events (subtract line 9b from line 9a)						9c		44,009	
10a Gross sales of inventory, less returns and allowances		10a		10b				10c	
b Less: cost of goods sold									
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)									
11 Other revenue (from Part VII, line 103)								11	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)								12 84,690	
13 Program services (from line 44, column (B))								13 70,462	
14 Management and general (from line 44, column (C))								14 4,507	
15 Fundraising (from line 44, column (D))								15 2,779	
16 Payments to affiliates (attach schedule)								16	
17 Total expenses (add lines 16 and 44, column (A))								17 77,748	
18 Excess or (deficit) for the year (subtract line 17 from line 12)								18 6,942	
19 Net assets or fund balances at beginning of year (from line 73, column (A))								19 458,157	
20 Other changes in net assets or fund balances (attach explanation)				SEE STATEMENT 3				20 16,445	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)								21 481,544	

COPY

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
22	Grants and allocations (attach schedule) STMT 4 (cash \$ 70,462 non-cash \$ _____)	22	70,462	70,462	
	If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule) <input type="checkbox"/>	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33	259	259	
34	Telephone	34			
35	Postage and shipping	35	196	47	149
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38	171	171	
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize):				
a	SEE STATEMENT 5	43a	6,660	4,030	2,630
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	77,748	70,462	4,507

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 \$ _____

COPY

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

▶ **PROMOTE LOCAL EDUCATION & SCHOLARSHIP.**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts; but optional for others.)

a STUDENT SCHOLARSHIP PROGRAM FOR BREWSTER HIGH SCHOOL SENIORS.

(Grants and allocations \$ **51,625**) If this amount includes foreign grants, check here ▶

51,625

b GRANTS AWARDED TO BREWSTER SCHOOL DISTRICT TEACHERS TO DEVELOP INNOVATIVE EDUCATIONAL PROGRAMS.

(Grants and allocations \$ **18,837**) If this amount includes foreign grants, check here ▶

18,837

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

70,462

COPY

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	947	45	1,122
	46 Savings and temporary cash investments	352,191	46	52,126
	47a Accounts receivable	5,394		
	b Less: allowance for doubtful accounts		47c	5,394
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments-securities SEE STATEMENT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	99,827	54	426,645
	55a Investments-land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)		55c	
56 Investments-other (attach schedule)		56		
57a Land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)		57c		
58 Other assets (describe SEE STATEMENT 7)	57	58		
59 Total assets (must equal line 74). Add lines 45 through 58.	460,897	59	485,287	
Liabilities	60 Accounts payable and accrued expenses	2,740	60	3,743
	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)		64b	
	65 Other liabilities (describe)		65	
66 Total liabilities. Add lines 60 through 65.	2,740	66	3,743	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	41,113	67	59,623
	68 Temporarily restricted	5,120	68	2,220
	69 Permanently restricted	411,924	69	419,701
	Organizations that do not follow SFAS 117, check here <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 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	458,157	73	481,544	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	460,897	74	485,287	

COPY

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	84,690
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	84,690
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	84,690

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	77,748
b	Amounts included on line a but not Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	77,748
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	77,748

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contrib. to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 8				

COPY

Part VI Other Information (continued)

		Yes	No
82a 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?	82a		<input checked="" type="checkbox"/>
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		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	<input checked="" type="checkbox"/>	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		<input checked="" type="checkbox"/>
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
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		
c Dues, assessments, and similar amounts from members	85c		
d Section 162(e) lobbying and political expenditures	85d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
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		
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a		
b Gross receipts, included on line 12, for public use of club facilities	86b		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88 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	88		<input checked="" type="checkbox"/>
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0			
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		<input checked="" type="checkbox"/>
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year sections 4912, 4955, and 4958			0
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			0
90a 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, 2005 (See instructions.)	90b		0
91a The books are in care of ▶ LAURIE ALVAREZ Telephone no. ▶ 845-279-3220 6 TOWNSEND LN Located at ▶ BREWSTER, NY ZIP + 4 ▶ 10509			
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 ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. At any time during the calendar year, did the organization maintain an office outside of the United States?	91b	<input checked="" type="checkbox"/>	
c If "Yes," enter the name of the foreign country ▶	91c		<input checked="" type="checkbox"/>
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		<input type="checkbox"/>

COPY

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	731	
96 Dividends and interest from securities			14	12,022	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	4,061	
101 Net income or (loss) from special events			1	44,009	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		60,823	0
105 Total (add line 104, columns (B), (D), and (E))					60,823

Note: Line 105 plus line 1d, 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.)

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 (other than by providing funds for such purposes).
N/A	

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

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 No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

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.

Please Sign Here

Signature of officer: **LAURIE ALVAREZ** Date: _____
 Title: **TREASURER**

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature: **RICHARD M. KART, CPA** Date: **11/01/06** Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: **CPA SERVICES, P.C. 1 BUSHWICK RD STE A POUGHKEEPSIE, NY 12603**

Preparer's SSN or PTIN (See Gen. Instr. W): **P00083177** EIN: **14-1719229** Phone no.: **845-473-7937**

