

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2006 calendar year, or tax year beginning **JUL 1, 2006** and ending **JUN 30, 2007**

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 type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization MANHATTAN SCHOOL OF MUSIC		D Employer identification number 13-1656667
		Number and street (or P.O. box if mail is not delivered to street address) 120 CLAREMONT AVENUE		E Telephone number 917-493-4563
		City or town, state or country, and ZIP + 4 NEW YORK, NY 10027		F 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).

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 **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

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

I Group Exemption Number **N/A**

G Website: **MSMNYC.EDU**

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

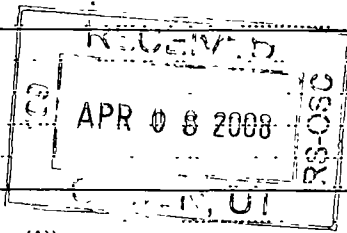
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **33,720,137.**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	3,473,860.		
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d	383,128.		
	e Total (add lines 1a through 1d) (cash \$ 3,856,988. noncash \$)	1e			3,856,988.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			18,501,764.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			53,959.
	5 Dividends and interest from securities	5			414,117.
	6 a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe)	7				
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	4,739,853.	8a			
	4,317,578.	8b			
	422,275.	8c			
d Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 1	8d			422,275.	
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 1b)	9a				
b Less: direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c				
10 a Gross sales of inventory, less returns and allowances	10a	141,113.			
	b Less: cost of goods sold STATEMENT 3	10b	156,283.		
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 2	10c			<15,170.>
11 Other revenue (from Part VII, line 103)	11			6,012,343.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			29,246,276.	
Expenses	13 Program services (from line 44, column (B))	13		24,950,120.	
	14 Management and general (from line 44, column (C))	14		3,866,020.	
	15 Fundraising (from line 44, column (D))	15		938,418.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			29,754,558.
18 Excess or (deficit) for the year. Subtract line 17 from line 12	18			<508,282.>	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		39,588,332.	
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4	20		1,626,550.	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			40,706,600.



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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.

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 \$ 0 . noncash \$ 0 .) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 . noncash \$ 0 .) If this amount includes foreign grants, check here <input type="checkbox"/>				
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 STMT 6	330,000.	0.	330,000.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c 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)				
26 Salaries and wages of employees not included on lines 25a, b, and c	14,959,917.	12,858,350.	1,557,997.	543,570.
27 Pension plan contributions not included on lines 25a, b, and c	597,228.	527,395.	69,594.	239.
28 Employee benefits not included on lines 25a - 27	1,166,909.	934,262.	206,769.	25,878.
29 Payroll taxes	1,031,265.	857,890.	123,310.	50,065.
30 Professional fundraising fees	198,795.			198,795.
31 Accounting fees	92,500.		92,500.	
32 Legal fees	95,587.		95,587.	
33 Supplies	387,824.	339,673.	43,860.	4,291.
34 Telephone	145,578.	135,812.	9,286.	480.
35 Postage and shipping	128,076.	71,232.	52,219.	4,625.
36 Occupancy	1,263,925.	1,185,071.	74,980.	3,874.
37 Equipment rental and maintenance	446,214.	357,049.	87,096.	2,069.
38 Printing and publications	513,586.	274,030.	219,056.	20,500.
39 Travel	74,209.	44,680.	13,347.	16,182.
40 Conferences, conventions, and meetings				
41 Interest	2,916,456.	2,811,034.	105,422.	
42 Depreciation, depletion, etc. (attach schedule)	2,367,219.	2,294,605.	69,046.	3,568.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 5	3,039,270.	2,259,037.	715,951.	64,282.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	29,754,558.	24,950,120.	3,866,020.	938,418.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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? ▶

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

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.)

a MANHATTAN SCHOOL OF MUSIC IS A COLLEGE CONSERVATORY PROVIDING EDUCATION TO APPROXIMATELY (815) COLLEGE STUDENTS AND (420) PRECOLLEGE STUDENTS

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

24,950,120.

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

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) ▶ 24,950,120.

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	7,265,727.	45	5,334,115.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable			
		b Less: allowance for doubtful accounts		47c	
	48 a	Pledges receivable	2,046,944.		
		b Less: allowance for doubtful accounts		48c	2,046,944.
	49	Grants receivable		49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees		50a	
		b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a	Other notes and loans receivable	743,708.		
		b Less: allowance for doubtful accounts		51c	743,708.
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	156,860.	53	133,046.
	54 a	Investments - publicly-traded securities STMT 10 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	10,075,018.	54a	10,197,674.
		b Investments - other securities STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	2,631,988.	54b	2,941,805.
55 a	Investments - land, buildings, and equipment: basis				
	b Less: accumulated depreciation		55c		
56	Investments - other		56		
57 a	Land, buildings, and equipment: basis	78,026,478.			
	b Less: accumulated depreciation	14,920,197.	57c	63,106,281.	
58	Other assets, including program-related investments (describe SEE STATEMENT 7)	8,539,949.	58	5,534,017.	
59	Total assets (must equal line 74). Add lines 45 through 58	90,733,131.	59	90,037,590.	
Liabilities	60	Accounts payable and accrued expenses	1,291,983.	60	535,025.
	61	Grants payable		61	
	62	Deferred revenue	1,026,452.	62	1,005,096.
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities	45,720,000.	64a	44,760,000.
		b Mortgages and other notes payable	1,669,874.	64b	1,589,415.
	65	Other liabilities (describe SEE STATEMENT 8)	1,436,490.	65	1,441,454.
66	Total liabilities. Add lines 60 through 65	51,144,799.	66	49,330,990.	
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	23,132,138.	67	25,962,144.
	68	Temporarily restricted	3,207,627.	68	632,925.
	69	Permanently restricted	13,248,567.	69	14,111,531.
	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 and column (B) must equal line 21)	39,588,332.	73	40,706,600.
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	90,733,131.	74	90,037,590.	

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 quid pro quo 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?		
	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	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.		
	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?		
	N/A		
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?		
	N/A		
85h			
86	501(c)(7) organizations. 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) organizations. 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 a	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		X
88a			
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		X
88b			
89 a	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) organizations. 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		X
89b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
	0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
	0.		
89e			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
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?		X
89g			
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	90b	843
91 a	The books are in care of		
	MANHATTAN SCHOOL OF MUSIC Telephone no. 917-493-4563		
	Located at 120 CLAREMONT AVE, NEW YORK, NY ZIP + 4 10027		
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		
	N/A		
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
 If "Yes," enter the name of the foreign country N/A

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.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a TUITION & FEES					18,501,764.
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			03	53,959.	
96 Dividends and interest from securities			14	414,117.	
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			18	422,275.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory			03	<15,170.>	
103 Other revenue:					
a DORMITORY			03	5,639,307.	
b INVESTMENT INCOME			03	247,754.	
c LIBRARY, RECORDING					
d STUDIO			03	125,282.	
e					
104 Subtotal (add columns (B), (D), and (E))		0.		6,887,524.	18,501,764.
105 Total (add line 104, columns (B), (D), and (E))					25,389,288.

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.)

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).
93A	TUITION AND FEES FUNDING INSTITUTIONAL PROGRAMS

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).

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). **N/A**

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.

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

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.

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

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?

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: *Patricia Zumaran* Date: *3/5/08*

Type or print name and title: *PATRICIA ZUMARAN, CONTROLLER*

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: *2/1/08* Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: **GOLDSTEIN LIEBERMAN & CO LLC**
1 INTERNATIONAL BLVD, STE 700
MAHWAH, NJ 07495

Preparer's SSN or PTIN (See Gen. Inst. X): **P00117384**

EIN: **20-2840805**

Phone no.: **(201) 512-5700**

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization

MANHATTAN SCHOOL OF MUSIC

Employer identification number

13-1656667

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
NEIL ROSENSHEIN 120 CLAREMONT AVE, NEW YORK, NY 10027	TEACHER 35.00	131,191.	4,565.	0.
GARY DIAL 120 CLAREMONT AVE, NEW YORK, NY 10027	TEACHER 35.00	117,020.	14,126.	0.
DAVID GEBER 120 CLAREMONT AVE, NEW YORK, NY 10027	TEACHER 35.00	126,079.	10,086.	0.
MAITLAND PETERS 120 CLAREMONT AVE, NEW YORK, NY 10027	TEACHER 35.00	118,581.	15,174.	0.
JUSTIN DICIOCCIO 120 CLAREMONT AVE, NEW YORK, NY 10027	TEACHER 35.00	117,359.	15,077.	0.
Total number of other employees paid over \$50,000	68			

Part II 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
KPMG, LLP 345 PARK AVE, NEW YORK, NY 10011	AUDITORS	94,500.
SUSAN ULIN ASSOC. LTD 156-5TH AVE. SUITE 1100, NEW YORK, NY 10010	FUNDRAISING CONSULTANTS	66,382.
MANATT, PHELPS & PHILLIPS 7 TIMES SQUARE, NEW YORK, NY 10036	ATTORNEYS	59,429.
Total number of others receiving over \$50,000 for professional services	0	

Part III 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
RYDER CONSTRUCTION 119 W. 40TH ST., NEW YORK, NY 10018	CONSTRUCTION	2,596,258.
CONSOLIDATED EDISON JAF BLDG PO BOX 1701, NEW YORK, NY 10116	UTILITIES	938,515.
APPROVED OIL 6741 5TH AVE, BROOKLYN, NY 11220	FUEL	539,102.
SOUND ASSOCIATES 424 W. 45TH ST., NEW YORK, NY 10036	SOUND CONST.	374,050.
PROTECTION PLUS SECURITY CONS. 535 8TH AVE, NEW YORK, NY 10018	SECURITY SERVICE	372,574.
Total number of other contractors receiving over \$50,000 for other services	28	

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 ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) 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.		X
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?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3 a	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.) SEE STATEMENT 1 2	X	
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
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		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶	N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶	0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶	0.	

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	
Total					

- 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. **N/A**
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	▶ 26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	▶ 26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)	▶ 26c	N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	▶ 26d	N/A
e Public support (line 26c minus line 26d total)	▶ 26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	▶ 26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____		
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	▶ 27c	N/A
d Add: Line 27a total _____ and line 27b total _____	▶ 27d	N/A
e Public support (line 27c total minus line 27d total)	▶ 27e	N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f	N/A	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	▶ 27g	N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	▶ 27h	N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	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?	X	
30	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?	X	
31	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.)	X	
<hr/>			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	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.)	X	
<hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		X
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	X	
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. SEE STATEMENT 13		X
35	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	X	

MANHATTAN SCHOOL OF MUSIC NET CAPITAL GAINS SCHEDULE 7/06-6/07						
AC/#	TRANS DATE	DESCRIPTION	# OF SHRS	COST	PROCEEDS	GAIN/LOSS
Bernstein						
109						
	7/13/2006	Merck & Co	75	2,247.54	2,742.29	494.75
	7/17/2006	Clorox Co	125	6,688.00	7,401.86	713.86
	7/25/2006	Occidental Petroleum	60	2,605.43	6,228.10	3,622.67
	7/31/2006	Lear Corp	450	16,923.73	10,183.68	(6,740.05)
	8/15/2006	Cooper Industnes	65	2,411.18	5,548.15	3,136.97
	8/22/2006	Office Depot	150	2,810.14	5,800.02	2,989.88
	8/24/2006	Northrop	50	2,893.05	3,295.99	402.94
	9/12/2006	Exxon Mobile	175	10,469.63	11,371.59	901.96
	9/14/2006	Crown Castle	75	1,797.79	2,659.97	862.18
	9/14/2006	Merck & Co	25	749.18	1,027.43	278.25
	9/19/2006	Target Corp	135	6,858.15	7,323.13	464.98
	9/20/2006	Embarq Corp	18	390.94	873.44	482.50
	9/20/2006	Embarq Corp	25	563.80	1,213.11	649.31
	9/20/2006	Embarq Corp	22	533.44	1,067.54	534.10
	9/26/2006	EMC Corp	500	6,780.30	5,781.20	(999.10)
	10/4/2006	Office Depot	75	1,405.07	3,052.73	1,647.66
	10/10/2006	Tellabs	200	2,106.40	2,201.20	94.80
	10/10/2006	Microsoft	300	7,645.74	8,281.62	635.88
	10/10/2006	Interpublic Group of COS	300	4,085.97	3,012.48	(1,073.49)
	10/10/2006	Clorox Co	50	2,675.20	3,262.43	587.23
	10/10/2006	Cisco Systems	125	2,664.68	3,037.50	372.82
	10/12/2006	Target Corp	60	3,048.06	3,537.51	489.45
	10/13/2006	Eli Lilly	200	10,674.14	11,460.92	786.78
	10/16/2006	Boeing	95	5,062.69	7,826.06	2,763.37
	10/23/2006	Hewlett Packard	200	2,752.01	7,972.80	5,220.79
	10/24/2006	Jones Apparel	275	9,662.38	9,145.46	(516.92)
	10/25/2006	Wachovia	125	3,744.84	6,988.99	3,244.15
	10/26/2006	Target Corp	55	2,794.06	3,225.55	431.49
	10/31/2006	Toyota Motor	150	14,821.72	17,722.97	2,901.25
	11/1/2006	Hewlett Packard	150	2,064.01	5,807.63	3,743.62
	11/7/2006	Solelectron	1,600	23,817.17	5,254.24	(18,562.93)
	11/7/2006	Solelectron	900	6,824.48	2,955.51	(3,868.97)
	11/9/2006	Ensc0	150	5,652.08	8,040.57	2,388.49
	11/16/2006	Daimlerchrysler	85	4,100.49	5,272.04	1,171.55
	12/6/2006	Norfolk Southern	150	2,312.54	7,612.68	5,300.14
	12/6/2006	Exxon Mobile	175	10,469.64	13,354.25	2,884.61
	12/7/2006	Tech Data	100	3,518.52	4,109.44	590.92
	12/8/2006	Textron Inc	75	3,994.82	7,156.17	3,161.35
	12/11/2006	Toyota Motor	25	2,470.29	3,060.95	590.66
	12/20/2006	Eli Lilly	100	5,337.07	5,246.99	(90.08)
	1/12/2007	Wachovia	225	6,740.73	12,746.50	6,005.77
	1/12/2007	Target Corp	100	5,080.12	5,979.54	899.42
	1/12/2007	Crown Castle	150	3,595.59	5,071.55	1,475.96
	1/17/2007	Boeing	5	266.46	438.27	171.81
	1/17/2007	Boeing	35	2,195.39	3,067.87	872.48
	2/2/2007	Smurfit Stone	425	5,936.00	5,005.48	(930.52)
	2/2/2007	Microsoft	100	2,548.59	3,056.95	508.36
	2/2/2007	Microsoft	200	5,285.86	6,113.90	828.04
	2/2/2007	Boeing	90	5,645.29	8,115.42	2,470.13
	2/20/2007	Idearc	13	373.52	458.44	84.92
	2/20/2007	Idearc	10	282.54	352.65	70.11
	2/26/2007	Cooper Industnes	35	1,026.38	3,333.23	2,306.85
	3/6/2007	Interpublic Group of COS	225	3,064.47	2,784.26	(280.21)
	3/19/2007	Comcast	175	3,479.37	4,465.58	986.21
	3/19/2007	Comcast	187	3,688.50	4,771.79	1,083.29
	3/20/2007	Interpublic Group of COS	475	6,469.46	5,943.63	(525.83)
	3/21/2007	Cisco Systems	350	7,461.13	9,219.35	1,758.22
	3/29/2007	Conocophillips	50	1,005.35	3,463.11	2,457.76
	3/29/2007	Federal National Mgt	200	15,136.74	11,025.74	(4,111.00)
	3/29/2007	BP Amoco	50	2,489.96	3,286.35	796.39
	3/29/2007	Merrill Lynch	55	3,212.62	4,574.26	1,361.64
	4/5/2007	Boeing	125	7,840.70	11,309.01	3,468.31
	4/17/2007	Smurfit Stone	275	3,840.95	3,311.94	(529.01)
	4/18/2007	Comcast	150	2,982.32	4,108.68	1,126.36
	4/20/2007	Nokia Corp	150	2,850.94	3,764.48	913.54
	4/26/2007	SPX Corp	125	7,173.53	8,817.73	1,644.20
	4/30/2007	Owens Illinois	225	4,154.87	6,839.33	2,684.46
	5/9/2007	National City	250	7,555.00	9,080.28	1,525.28
	5/9/2007	Kroger Co	300	5,564.52	8,771.31	3,206.79
	5/9/2007	Renaissance	125	5,626.72	6,878.65	1,251.93
	5/14/2007	Kroger Co	100	1,854.84	2,908.98	1,054.14
	5/18/2007	McDonalds	300	10,599.26	15,664.11	5,064.85
	5/18/2007	AT&T	375	12,148.99	15,420.26	3,271.27
	5/21/2007	Proctor & Gamble	275	14,166.91	17,407.50	3,240.59

MANHATTAN SCHOOL OF MUSIC NET CAPITAL GAINS SCHEDULE 7/06-6/07							
AC/#	TRANS DATE	DESCRIPTION	# OF SHRS.	COST	PROCEEDS	GAIN/LOSS	
	10/5/2006	Societe Generale	3,205	0 01	722 28	722.27	21,836.03
	11/27/2006	Rio Tinto	94	12,637 10	19,686 20	7,049.10	7,049.10
	1/12/2007	Hitachi	179	11,359 34	11,721 69	362.35	362.35
	2/8-12/07	Rio Tinto	59	12,041 67	12,527.81	486.14	486.14
	3/12-13/07	BG	200	4,699 63	13,449 93	8,750.30	
	3/26-27/07	Bayer AG	203	4,794 04	12,412 41	7,618.37	
	3/16/2007	Hitachi	213	13,716 16	15,516.19	1,800.03	18,168.70
	4/10-20/07	Alliance Boots	1,429	25,978 92	30,732.12	4,753.20	4,753.20
	5/16-23/07	Alliance Boots	252	4,692 93	5,605 85	912.92	
	5/16-24/07	Hitachi	181	11,571.43	13,208 50	1,637.07	2,549.99
	6/12-20/07	Alliance Boots	1,264	19,205 91	28,198 66	8,992.75	
	6/14/2007	Bayer AG	225	5,313 60	16,614 33	11,300.73	20,293.48
15658		CLOSED				0.00	
15659							
	7/6/2006	Bed Bath & Beyond	650	24,238 50	21,060 46	(3,178.04)	(3,178.04)
	8/25/2006	Ebay	508	14,391 64	12,852 66	(1,538.98)	
	8/28/2006	Google	13	2,501 95	4,925 98	2,424.03	
	8/21/2006	Medtronic	495	24,909 59	22,478 54	(2,431.05)	(1,546.00)
	10/27/2006	Red Hat	1,093	11,676 96	16,434 82	4,757.86	4,757.86
	11/1-20/06	Apollo Group	991	72,028.18	35,648 17	(36,380 01)	(36,380.01)
	12/13/2006	Ebay	61	1,728 13	1,955 97	227.84	
	12/8/2006	Google	35	6,745 69	16,978.45	10,232.76	10,460.60
	1/26/2007	EBAY	1,757	64,613 07	55,721 89	(8,891.18)	(8,891.18)
	3/27/2007	Teva Pharmaceutical	448	14,489 49	16,515 89	2,026.40	2,026.40
	6/14/2007	Allergan	4	286.45	475 20	188.75	
	6/14/2007	Apple Inc	10	707 81	1,185.60	477.79	
	6/14/2007	Genentech	24	982.68	1,826 86	844.18	
	6/14/2007	Intuitive Surgical	14	1,002.02	1,971 49	969.47	
	6/14/2007	Iron Mtn	15	288 98	386 60	97.62	
	6/5/2007	Lowe's	305	7,869 67	9,885 93	2,016.26	
	6/14/2007	Qualcomm	9	306 92	384 52	77.60	
	6/14/2007	Starbucks	46	719 67	1,278 54	558.87	
	6/5/2007	Teva Pharmaceutical	277	8,958 90	10,926 29	1,967.39	
	6/14/2007	Varian Medical	16	957.21	644.00	(313.21)	
	6/5/2007	Walgreen	49	1,715 98	2,205 35	489.37	
	6/5/2007	Zimmer Holdings	88	6,855 52	7,668 17	812.65	8,186.74
15660							
	7/12/2006	Amgen Zero	37,000	29,155.63	27,241 25	(1,914.38)	
	7/13/2006	Hilton Hotels	27,000	31,070 00	33,771 68	2,701.68	
	7/18/2006	Liberty Media	11,000	12,857 37	11,142.12	(1,715.25)	(927.95)
	8/25/2006	Digital River	21,000	22,406 85	25,934 98	3,528.13	
	8/10/2006	Fisher Scientific	12,000	12,453 15	13,710 24	1,257.09	
	8/17/2006	Invitrogen	32,000	30,753 65	26,897 92	(3,855.73)	929.49
	9/1/2006	Cooper Cameron	23,000	24,055.13	34,236 88	10,181.75	10,181.75
	10/24/2006	RF Micro Devices	22,000	24,341 90	25,029 18	687.28	
	10/26/2006	Red Hat	26,000	30,481 62	24,219 96	(6,261.66)	(5,574.38)
	11/10/2006	Four Season	32,000	34,400.00	39,249 60	4,849.60	
	11/2/2006	Genworth	706	20,568 90	24,912.84	4,343.94	
	11/20/2006	Laboratory Corp	35,000	27,850.23	32,539 50	4,689.27	13,882.81
	12/1/2006	Fisher Scientific	21,000	22,885 23	26,595 66	3,710.43	
	12/5/2006	Omnicare Inv	21,000	21,458 34	18,637 50	(2,820.84)	889.59
	1/25/2007	Danaher	11,000	8,910.88	11,962 50	3,051.62	
	1/17/2007	Lehman	1,360	34,955 41	36,814 06	1,858.65	
	1/19/2007	Liberty Media	27,000	20,842 40	23,057.43	2,215.03	
	1/4/2007	New York Community	515	24,340 45	24,169 23	(171.22)	
	1/17/2007	PNM Resources	530	27,941.98	27,144 70	(797.28)	
	1/5/2007	Roper	48,000	21,878 75	30,296 64	8,417.89	14,574.69
	2/8/2007	LSI Logic	33,000	31,910 10	33,976 47	2,066.37	
	2/22/2007	Sandisk	26,000	24,645.53	22,090 90	(2,554.63)	
	2/22/2007	TJX Companies	32,000	27,544 05	30,177 60	2,633.55	
	2/22/2007	United Auto Group	27,000	29,243 43	30,048 65	805.22	2,950.51
	3/20/2007	Danaher	32,000	26,203 65	33,572 48	7,368.83	7,368.83
	4/2/2007	Travelers	571	13,610 69	14,560 27	949.58	949.58
	5/31/2007	Celanese	580	18,444 58	27,673 17	9,228.59	
	5/31/2007	Chesapeake Energy	255	24,424 82	26,142.20	1,717.38	
	5/31/2007	E Trade	555	19,078 40	16,644 19	(2,434.21)	
	5/31/2007	Freeport-McMoran	181	19,599 77	22,173.97	2,574.20	
	5/31/2007	General Motors	1,125	26,178 75	25,818 35	(360.40)	
	5/31/2007	Marshall & Isley	1,248	34,413 68	33,156 23	(1,257.45)	
	5/31/2007	Mellife	900	22,865.04	30,439 51	7,574.47	
	5/31/2007	Schenck Plough	470	25,473 91	34,755 96	9,282.05	26,324.63
	6/1/2007	Alleghany	58	16,328 00	19,901 25	3,573.25	
	6/1/2007	Allergan	32,000	33,897 94	35,440 00	1,542.06	

MANHATTAN SCHOOL OF MUSIC NET CAPITAL GAINS SCHEDULE 7/06-6/07						
AC/#	TRANS DATE	DESCRIPTION	# OF SHRS	COST	PROCEEDS	GAIN/LOSS
	6/1/2007	AMDOCS	32,000	30,666.24	33,000.00	2,333.76
	6/1/2007	American Finl	42,000	21,627.42	25,935.00	4,307.58
	6/1/2007	Amgen Inc	33,000	33,423.17	30,195.00	(3,228.17)
	6/1/2007	Archstone-Smith Oper	37,000	37,083.75	39,451.25	2,367.50
	6/1/2007	CSX Corp	24,000	23,550.00	38,640.00	15,090.00
	6/1/2007	Cooper Cameron	32,000	32,905.39	38,760.00	5,854.61
	6/1/2007	Carnival Corp	37,000	26,261.27	25,992.50	(268.77)
	6/1/2007	Walt Disney	32,000	34,431.61	39,320.00	4,888.39
	6/1/2007	Dominion Res	32,000	33,229.13	38,400.00	5,170.87
	6/1/2007	EMC Corp Global	37,000	40,450.36	44,307.50	3,857.14
	6/1/2007	Ford Motor	36,000	38,515.63	41,400.00	2,884.37
	6/1/2007	General Cable	36,000	37,727.77	52,785.00	15,057.23
	6/1/2007	Genzyme Corp	22,000	22,742.25	23,182.50	440.25
	6/1/2007	Gilead Sciences	21,000	21,644.28	24,858.75	3,214.47
	6/1/2007	Intel	32,000	26,924.20	29,520.00	2,595.80
	6/1/2007	Interpublic	16,000	17,586.05	18,160.00	573.95
	6/1/2007	Juniper Networks	22,000	23,634	27,582.50	3,948.45
	6/1/2007	L-3 Communications	32,000	33,708.32	35,560.00	1,851.68
	6/1/2007	Liberty Media	16,000	15,121.25	13,880.00	(1,241.25)
	6/1/2007	Lowe's Companies	35,000	38,267.30	40,075.00	1,807.70
	6/1/2007	Lucent Technologies	26,000	26,653.25	28,860.00	2,206.75
	6/1/2007	Medtronic	37,000	35,978.71	39,150.63	3,171.92
	6/1/2007	Merrill Lynch	27,000	29,828.81	35,370.00	5,541.19
	6/1/2007	Nabors	38,000	40,488.51	42,132.50	1,643.99
	6/4/2007	Omnicom	16,000	15,508.80	17,360.00	1,851.20
	6/1/2007	Stanley Works	32	33,472.89	36,960.00	3,487.11
	6/1/2007	Symantec	32,000	35,067.03	37,080.00	2,012.97
	6/4/2007	Teva Pharmaceuticals	37,000	36,956.01	36,445.00	(511.01)
	6/4/2007	Time Warner	16,000	18,407.30	20,155.62	1,748.32
	6/4/2007	Vornado Realty	26,000	25,956.84	26,000.00	43.16
	6/4/2007	Wells Fargo	31,000	31,348.75	30,961.25	(387.50)
	6/4/2007	Wyeth Fit	32,000	32,893.30	36,288.00	3,394.70
						100,823.67
	7/25/2006	Illumina	52	772.74	1,991.57	1,218.83
	7/25-28/06	Werner	86	1,835.24	1,556.90	(278.34)
	8/1/2006	Global Imaging	5	160.89	212.17	51.28
	8/9-31/06	Jupitermedia	640	11,531.06	4,410.12	(7,120.94)
	8/1-22/06	Navarre	1,134	7,180.19	4,340.94	(2,839.25)
	8/2-7/06	Supenor Energy	13	355.22	445.91	90.69
	7/31-8/7/06	Werner	181	3,754.90	3,313.49	(441.41)
	9/15-20/06	Cambrex	47	951.95	1,015.17	63.22
	9/1/2006	Jupitermedia	20	329.94	149.99	(179.95)
	9/14/2006	Oil States	11	419.78	295.50	(124.28)
	9/14-20/06	Shaw Group	105	3,406.30	2,590.67	(815.63)
	10/5-16/06	Avocent	88	2,914.40	2,728.10	(186.30)
	10/4-24/06	Cambrex	74	1,498.82	1,691.54	192.72
	10/9-16/06	Cohen & Steers	44	950.67	1,520.76	570.09
	10/27-30/06	Digital Insight	55	768.99	1,663.24	894.25
	10/4-12/06	Illumina	137	2,141.93	4,738.48	2,596.55
	10/5-18/06	PSS World	134	1,460.94	2,698.25	1,237.31
	10/5/2006	PAR	20	357.42	148.02	(209.40)
	10/4-12/06	Rogers	9	350.82	616.17	265.35
	11/3-11/30/06	Digital Insight	458	10,734.05	16,680.77	5,946.72
	11/8-20/06	Financial Fed	70	1,548.81	1,933.89	385.08
	11/22-30/06	Healthextras	132	1,867.78	2,795.58	927.80
	11/22-29/06	Kensley Nash	12	342.00	378.40	36.40
	11/6/2006	Valueclick	76	530.98	1,612.36	1,081.38
	12/1/2006	Digital Insight	151	3,758.03	5,778.45	2,020.42
	12/18-21/06	Financial Fed	52	1,150.54	1,495.59	345.05
	12/8-20/06	Kensley Nash	92	2,622.00	2,802.01	180.01
	12/14-18/06	Valueclick	163	1,138.81	3,966.83	2,828.02
	1/11-18/07	ASV	126	3,733.38	2,018.66	(1,714.72)
	1/24-30/07	Cambrex	113	2,288.74	2,454.10	165.36
	1/22/2007	Cohen & Steers	26	561.76	1,173.21	611.45
	1/10-30/07	Financial Fed	189	5,392.15	5,285.22	(106.93)
	1/25/2007	Global Imaging	214	3,447.16	4,087.38	640.22
	1/11/2007	ICT	1	25.96	26.53	0.57
	1/10-31/07	PSS World	205	2,463.45	4,084.86	1,621.41
	1/19-31/07	Texas CAP	125	2,746.24	2,372.14	(374.10)
	1/19-30/07	Wintrust	53	2,592.64	2,438.15	(154.49)
	2/23-28/07	ASV	53	1,570.39	853.34	(717.05)
	1/31-2/6/07	Cambrex	337	6,755.88	7,456.72	700.84
	2/12/2007	Hydnl	151	6,667.97	14,325.10	7,657.13
	2/28/2007	Kensley Nash	22	623.99	633.19	9.20
	2/2-7/07	Oil States	101	3,832.41	2,921.98	(910.43)
	2/1-6/07	PSS World	116	1,932.39	2,328.59	396.20

MANHATTAN SCHOOL OF MUSIC NET CAPITAL GAINS SCHEDULE 7/06-6/07						
AC#	TRANS. DATE	DESCRIPTION	# OF SHRS	COST	PROCEEDS	GAIN/LOSS
	2/16-23/07	PAR	192	2,699.92	1,706.38	(993.54)
	2/2-7/07	Texas CAP	61	1,340.17	1,180.07	(160.10)
	2/1-7/07	Wintrust	122	6,449.51	5,731.98	(717.53)
	3/2-30/07	ASV	162	4,854.40	2,459.82	(2,394.58)
	3/5-6/07	Aeroflex	944	11,415.76	12,372.67	956.91
	3/1/2007	Hyphenon	205	4,813.76	10,592.47	5,778.71
	3/1-30/07	ICT	79	1,998.72	1,353.27	(645.45)
	3/30/2007	Integra	23	817.22	1,051.51	234.29
	3/2-12/07	Kensey Nash	132	3,395.67	3,812.68	417.01
	4/2-23/07	ASV	193	4,056.03	2,990.82	(1,065.21)
	4/23/2007	Dnl Equip	58	2,078.49	2,885.93	807.44
	4/26/2007	Gardner	44	1,368.43	1,634.64	266.21
	4/24/2007	Highland	638	8,526.98	12,325.78	3,798.80
	4/2-25/07	Integra	117	4,157.19	5,360.44	1,203.25
	4/26-20/07	Shaw Group	133	4,314.65	4,352.99	38.34
	5/29/2007	Idex Corp	58	1,985.76	2,147.56	161.80
	5/23-25/07	Kennametal Inc	15	770.77	1,107.73	336.96
	5/15-23/07	Tnmbie Navigation	256	5,380.08	7,606.15	2,226.07
	6/20-26/07	Gardner	61	1,889.48	2,558.07	668.59
	6/1/2007	Idex Corp	18	616.27	674.66	58.39
	6/27/2007	Informatica	201	1,440.75	2,921.18	1,480.43
	6/26-27/2007	Kennametal Inc	71	3,694.65	5,656.16	1,961.51
15662						
						0.00
18052						
	7/25-26/06	Deere & Co	31	1,996.40	2,238.53	242.13
	7/21/2006	JP Morgan Chase	47	1,651.06	2,025.28	374.22
	7/26/2006	Motorola	601	9,423.68	13,173.63	3,749.95
	7/21-24/06	Schlumberger	104	3,728.40	6,454.98	2,726.58
	9/1-13/06	Electronic Data Systems	327	7,729.95	7,936.89	206.94
	9/5/2006	Honeywell Intl	237	8,623.59	9,236.90	613.31
	9/12-13/2006	International Paper	224	8,504.55	7,940.88	(563.67)
	10/6/2006	Aflac	64	2,981.52	2,930.40	(51.12)
	10/4-23/06	ADP	103	4,522.21	4,919.02	396.81
	10/16/2006	Baker Hughes	16	737.03	1,123.13	386.10
	10/19/2006	Coca Cola	60	2,592.28	2,684.99	92.71
	10/4-5/06	Eaton	74	4,752.76	5,171.82	419.06
	10/9-19/06	Glaxosmith	164	8,165.60	9,008.70	843.10
	10/3/2006	Hewlett Packard	21	420.89	782.26	361.37
	10/17-30/06	Medtronic	169	8,737.05	8,234.41	(502.64)
	10/13-18/06	Washington Mutual	140	6,385.91	6,131.34	(254.57)
	11/16-24/06	Commerce Bancorp	278	9,524.28	9,819.47	295.19
	11/16-21/06	Deere & Co	98	6,311.20	8,874.79	2,563.59
	11/10-29/06	General Mills	132	5,922.25	7,332.36	1,410.11
	11/29/2006	Glaxosmith	80	3,993.22	4,264.47	271.25
	11/20/2006	Hewlett Packard	77	1,543.26	3,063.31	1,520.05
	11/20-24/06	Kimberly Clark	110	6,968.54	7,302.51	333.97
	11/3/2006	Medtronic	80	4,135.88	3,921.19	(214.69)
	11/10/2006	Merck	47	1,599.41	2,018.25	418.84
	11/13-29/06	Pfizer	597	16,101.09	15,557.48	(543.61)
	11/9-10/06	Washington Mutual	60	2,736.69	2,580.56	(156.13)
	11/16/2006	Wyeth	49	2,054.57	2,439.56	384.99
	12/4-6/06	Aflac	213	9,855.77	9,431.62	(424.15)
	12/14-15/06	Baker Hughes	138	6,356.88	10,672.65	4,315.77
	12/5/2006	Bellsouth	77	2,078.92	3,489.58	1,410.66
	12/1-4/06	Glaxosmith	177	8,812.90	9,461.06	648.16
	12/4-5/06	Pfizer	269	7,314.72	6,646.42	(668.30)
	12/27-29/06	Tnbune	455	17,485.08	14,166.78	(3,318.30)
	1/24/2007	Bank of Amer	121	5,412.26	6,419.29	1,007.03
	1/5-8/07	Chesapeake	222	7,165.29	6,222.25	(943.04)
	1/9/2007	Deere & Co	79	5,087.60	7,286.96	2,199.36
	1/12-17/07	Parker-Hannifin	272	16,662.21	21,735.09	5,072.88
	1/4/2007	Pfizer	458	11,452.38	12,099.02	646.64
	1/5-11/07	Union Pacific	139	9,055.54	12,548.16	3,492.62
	2/6-28/07	XL Capital	80	5,223.39	5,692.90	469.51
	2/6/2007	Merck	330	11,229.90	14,741.83	3,511.93
	2/6-7/07	Southern	157	5,338.00	5,731.72	393.72
	2/9/2007	Sprnt Nextes	365	7,847.70	6,563.84	(1,283.86)
	3/8-19/07	XL Capital	129	8,451.31	8,963.35	512.04
	3/26/2007	Baxter	25	857.00	1,325.40	468.40
	3/26/2007	Clorox	92	5,719.97	5,888.90	168.93
	3/20/21/07	Diageo PLC	46	2,724.88	3,579.16	854.28
	3/22/2007	Idearc	32	801.34	1,096.15	294.81
	3/13/2007	Medimmune	107	2,532.00	3,340.65	808.65
	3/12/2007	Pepsico	38	2,004.50	2,401.12	396.62

MANHATTAN SCHOOL OF MUSIC NET CAPITAL GAINS SCHEDULE 7/06-6/07								
AC/#	TRANS DATE	DESCRIPTION	# OF SHRS	COST	PROCEEDS	GAIN/LOSS		
	3/19/2007	Schenng Plough	595	12,310.55	13,999.12	1,688.57		
	3/23/2007	Waste Management	114	3,259.90	3,951.39	691.49	5,883.79	
	4/27-30/07	Ameren	273	14,670.64	14,393.31	(277.33)		
	4/18/2007	ADP	117	4,615.66	5,254.30	638.64		
	4/18/2007	Bank of Amer	50	2,237.50	2,601.68	364.18		
	4/5-10/07	Broadside	112	1,902.80	2,151.95	249.15		
	4/20/2007	Clorox	115	6,589.85	7,613.63	1,023.78		
	4/16/2007	Emerson	54	1,768.68	2,358.45	589.77		
	4/20-25/07	Federal Home Ln	314	21,625.46	20,448.38	(1,177.08)		
	4/4-18/07	Pepsico	157	8,516.68	10,152.87	1,636.19		
	4/4/2007	Waste Management	48	1,324.80	1,671.09	346.29	3,393.59	
	5/14/2007	AT&T	43	1,024.45	1,717.11	692.66		
	5/7-9/07	Bank of Amer	286	13,326.32	14,729.04	1,402.72		
	5/8-23/07	Campbell Soup	578	17,541.60	22,669.14	5,127.54		
	5/16/2007	Clorox	113	7,183.74	7,569.68	385.94		
	5/15-21/07	Comcast Corp	1,200	24,890.62	32,092.24	7,201.62		
	5/25/2007	Exxon	70	3,545.50	5,814.03	2,268.53		
	5/11/2007	Johnson & Johnson	189	11,582.07	11,810.04	227.97		
	5/23-25/2007	Newmont Mining	421	17,193.02	16,635.73	(557.29)		
	5/14-15/07	Pepsico	159	8,735.46	10,632.52	1,897.06		
	5/31/2007	Southern	215	7,302.59	7,743.02	440.43	19,087.18	
	6/8-13/07	General Dynamics	159	8,612.00	12,754.43	4,142.43		
	6/13/2007	Praxair	28	1,290.61	1,944.96	654.35		
	6/22-27/07	Schlumberger	80	2,868.00	6,997.42	4,129.42		
	6/14/2007	Venzon	289	9,561.06	12,477.55	2,916.49	11,842.69	
						0.00		
	7/20/2006	Apache Corp	68	4,308.77	4,420.18	111.41		
	7/20/2006	Ecolab	224	8,804.03	9,285.18	481.15		
	7/20/2006	Smith Intl	236	9,962.29	9,993.32	31.03		
	7/20/2006	Walgreen Co	215	9,386.99	10,144.63	757.64	1,381.23	
	8/16/2006	Chicos	843	23,440.37	20,064.55	(3,375.82)		
	8/17/2006	Quest Diagnostics	134	7,786.63	8,426.14	639.51		
	8/7-31/06	UPS	821	66,293.70	56,540.30	(9,753.40)	(12,489.71)	
	9/19/2006	Apache Corp	91	5,766.14	5,750.98	(15.16)		
	9/19-20/06	Zimmer Holdings	604	38,149.97	41,614.79	3,464.82	3,449.66	
	10/19/2006	Cisco	220	4,355.71	5,249.45	893.74		
	10/19/2006	Home Depot	743	27,320.48	26,575.55	(744.93)		
	10/19-25/06	Pepsico	318	18,962.69	20,095.72	1,133.03		
	10/19/2006	Qualcomm	313	12,439.37	11,706.12	(733.25)	548.59	
	11/16/2006	Aflac	369	16,756.11	16,430.62	(325.49)		
	11/16/2006	Whole Foods	327	20,507.15	16,175.57	(4,331.58)	(4,657.07)	
	1/18/2007	Apache Corp	110	6,970.06	7,248.73	278.67		
	1/31/2007	Baker Hughes	400	31,976.12	27,499.55	(4,476.57)		
	1/18/2007	Quest Diagnostics	263	15,283.12	13,171.73	(2,111.39)	(6,309.29)	
	3/12/2007	SLM	937	48,699.83	38,985.12	(9,714.71)	(9,714.71)	
	5/4-23/07	Amgen	602	39,303.62	34,435.40	(4,868.22)		
	5/4/2007	Jabil Circuit	246	6,148.43	5,845.02	(303.41)		
	5/4/2007	Kohls	80	4,635.34	5,881.29	1,245.95		
	5/31/2007	Quest Diagnostics	516	29,985.12	25,136.19	(4,848.93)		
	5/7/2007	EW Scripps	494	22,145.87	20,887.88	(1,257.99)	(10,032.60)	
	6/19/2007	Apple Inc	235	17,331.22	29,116.12	11,784.90	11,784.90	
						0.00		
				3,905,532.72	4,229,791.08	324,258.36	324,258.36	
		TOTALS OF ALL PORTFOLIOS		4,317,577.84	4,739,853.28	422,275.44		
		G/L						

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 2

INCOME		
1. GROSS RECEIPTS	141,113	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		141,113
4. COST OF GOODS SOLD (LINE 13)	156,283	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		<15,170>
COST OF GOODS SOLD		
6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED	100,526	
8. COST OF LABOR	53,498	
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS	2,259	
11. ADD LINES 6 THROUGH 10		156,283
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		156,283

FORM 990 COST OF GOODS SOLD - OTHER COSTS STATEMENT 3

DESCRIPTION	AMOUNT
SHIPPING	232.
SUPPLIES	2,027.
TOTAL INCLUDED ON FORM 990, PART I, LINE 10B	2,259.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
CHANGE IN SWAP INTEREST	80,459.
CHANGE IN UNREALIZED CAPITAL GAINS	1,546,091.
TOTAL TO FORM 990, PART I, LINE 20	1,626,550.

FORM 990

OTHER EXPENSES

STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSURANCE	333,215.	320,939.	11,673.	603.
REPAIRS AND MAINTENANCE	341,829.	341,829.		
OTHER CREDIT	688,835.	547,745.	117,634.	23,456.
CARD/PAYROLL/SOFTWAR /SEARCH FEES	252,473.		252,473.	
ENT/RECEPTIONS/DUES/ DVERTISING/MISC	374,394.		334,171.	40,223.
MUSICAL PRODUCTIONS	1,048,524.	1,048,524.		
TOTAL TO FM 990, LN 43	3,039,270.	2,259,037.	715,951.	64,282.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25A

STATEMENT 6

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
ROBERT SIROTA	305,000.	25,000.		330,000.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	305,000.	25,000.		330,000.
C. FUNDRAISING				
TOTAL PROGRAM SERVICES				
TOTAL MANAGEMENT AND GENERAL				330,000.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PART II, LINE 25A				<u>330,000.</u>

FORM 990

OTHER ASSETS

STATEMENT 7

DESCRIPTION

AMOUNT

CONSTRUCTION IN PROGRESS

157,640.

DEPOSITS WITH TRUSTEES

3,747,761.

NET INTANGIBLE ASSETS

1,628,616.

TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B

5,534,017.

FORM 990

OTHER SECURITIES

STATEMENT 9

<u>SECURITY DESCRIPTION</u>	<u>COST/FMV</u>	<u>OTHER SECURITIES</u>
ALTERNATIVE INVESTMENTS	FMV	2,941,805.
TO FORM 990, LINE 54B, COL B		2,941,805.

FORM 990

NON-GOVERNMENT SECURITIES

STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY SECURITIES	FMV	10197674.			10197674.
TO FORM 990, LINE 54A, COL B		10197674.			10197674.

 FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 11
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ALAN M ADES 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
MISS BETTY ALLEN 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
MS CARLA BOSSI-COMELLI 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
NANCY BEHRMAN 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
HAROLD CHUMACEIRO 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
CHARLES GROSSMAN 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
MRS. MARTA ISTOMIN 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
EDWARD LOWENTHAL 120 CLAREMONT AVE NEW YORK, NY 10027	TREASURER 0.00	0.	0.	0.
WILLIAM R. MILLER 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
ION. RICHARD OWEN 120 CLAREMONT AVE NEW YORK, NY 10027	TRUSTEE 0.00	0.	0.	0.
DAVID A. RAHM, ESQ 120 CLAREMONT AVE NEW YORK, NY 10027	CHAIRMAN 0.00	0.	0.	0.

MANHATTAN SCHOOL OF MUSIC

13-1656667

PETER G. ROBBINS
120 CLAREMONT AVE
NEW YORK, NY 10027

TRUSTEE
0.00

0. 0. 0.

ROBERT G. SIMON
120 CLAREMONT AVE
NEW YORK, NY 10027

SECRETARY
0.00

0. 0. 0.

J. MARK STAMBAUGH
120 CLAREMONT AVE
NEW YORK, NY 10027

TRUSTEE
0.00

0. 0. 0.

ROBERT SIROTA
120 CLAREMONT AVE
NEW YORK, NY 10027

PRESIDENT
35.00

305,000. 25,000. 0.

TOTALS INCLUDED ON FORM 990, PART V-A

305,000. 25,000. 0.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 12
PART III, LINE 3A

DISBURSEMENTS ARE MADE IN ACCORDANCE WITH PROCEDURES OR SUBJECT TO CONDITIONS BY THE SCHOOL'S GOVERNING BOARD DESIGNED TO INSURE THAT INDIVIDUALS RECEIVING DISBURSEMENTS FROM THE ORGAIZATION ARE ADEQUATELY INVESTIGATED TO DETERMINE THAT THEY ARE QUALIFYING RECIPIENTS, STUDENTS RECEIVING SCHOLARSHIPS AND FELLOWSHIPS ARE JUDGED WORTHY BY THE SCHOOL ON THE BASIS OF PERFORMNING TALENT, ACADEMIC ACHIEVEMENT, FINANCIAL NEED, AND OTHER SIMILAR STANDARDS.

**MANHATTAN SCHOOL OF MUSIC
FED ID 13-1656667**

YEAR 2006

FORM 990, PART 1, LINE 1D

Government Grants

FORM 990, PART 1, LINE 8D

Net Capital Gains

Securities & Bonds

S. Bernstein	\$ 87,382
Dodge & Cox	10,635
S. Barney	<u>324,258</u>
	<u>\$ 422,275</u>

FORM 990, PART 1, LINE 10C

Books/Music	\$ (10,113)
Clothing, gifts, supplies, food, sundries	<u>(5,057)</u>
	<u>\$ (15,170)</u>

FORM 990, PART 1, LINE 20

Unrealized capital gains	2005	\$ 1,008,893
Unrealized capital gains	2006	<u>2,554,984</u>
Change in unrealized gains		<u>\$ 1,546,091</u>
Swap rate	2005	\$ 1,669,874
Swap rate	2006	<u>1,589,415</u>
Change in value of interest rate swap		<u>\$ 80,459</u>
Cumulative effect of change in accounting principle (assets retire FIN47)		<u>\$ 0</u> <u>\$ 1,626,550</u>

**MANHATTAN SCHOOL OF MUSIC
FED. ID. 13-1656667**

YEAR 2006

FORM 990, PART II, LINE 42

Depreciation and Amortization Expense for:

Buildings	\$ 1,871,344
Equipment and Capital Leases	157,529
Furniture & Fixtures	153,389
Musical Instruments and audio	105,828
Library Books and Music	<u>79,129</u>
	\$ <u>2,367,219</u>

MANHATTAN SCHOOL OF MUSIC
FY2007

FED.ID# 13-1656667

YEAR 2006

FROM 990, PART IV, LINE 51C

Perkins Loan Program Receivable 743,708
743,708

FORM 990, PART IV, LINE 54

U S Government Securities

Corporate Bonds 0
Stocks 10,197,674
Alternative Investment 2,941,805
13,139,479

FORM 990, PART IV, LINE 57B

Land 1,240,000
Buildings 70,876,220
Furniture and equipment 1,894,278
Musical instruments and audio equipment 2,945,491
Library books, music and art works 1,070,489
Construction in Progress 78,026,478
Less: Accumulated depreciation (14,920,197)
63,106,281
Dorm Issuance Costs 1,916,022
Less: Accumulated amortization (287,406)
1,628,616

FORM 990, PART IV, LINE 64A

Year ending June 30
2008 1,015,000
2009 1,070,000
2010 1,130,000
2011 1,190,000
2012 1,255,000
Thereafter 39,100,000
44,760,000

FORM 990, PART IV, LINE 64B

Bond Swap Interest Liability 1,589,415
(see attached)

FORM 990, PART IV, LINE 65

Due Perkins Loans 533,954
Due Asset retirement(FIN 47) 907,500
1,441,454

Manhattan School of Music

FED ID: 13-165667

YEAR 2006(FY2007)

FORM 990, PART V

LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME	ADDRESS	Column B TITLE	Col B Av. Hrs	Column C COMPENSATION	Column D Cont. to Emp.Ben Plans & Def. Comp.
Alan M Ades	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Ms Carla Bossi-Comelli	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Nancy Behrman	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Harold Chumaceiro	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Constance Keane	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Edward Lowenthal	120 Claremont Ave, New York, N Y 10027	Treasurer		0	
William R Miller	120 Claremont Ave, New York, N Y 10027	Trustee		0	
Hon Richard Owen	120 Claremont Ave, New York, N Y 10027	Trustee		0	
David A Rahm, Esq	120 Claremont Ave, New York, N Y 10027	Chairman		0	
Robert G Simon	120 Claremont Ave, New York, N Y 10027	Secretary		0	
Robert Sirota	120 Claremont Ave, New York, N Y 10027	President	35	\$ 305,000	\$ 25,000 00

Note No expense accounts and other allowances



MANHATTAN SCHOOL OF MUSIC

Financial Statements

June 30, 2007

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
Manhattan School of Music:

We have audited the accompanying statement of financial position of Manhattan School of Music (the School) as of June 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the School's 2006 financial statements and, in our report dated November 3, 2006, we expressed an unqualified opinion on those financial statements. In 2006, our report indicated that the School adopted the provisions of Financial Accounting Standards Board Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*.

We conducted our audit 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 Manhattan School of Music as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

September 28, 2007

MANHATTAN SCHOOL OF MUSIC

Statement of Financial Position

June 30, 2007

(with comparative financial information
as of June 30, 2006)

Assets	2007	2006
Cash and cash equivalents	\$ 5,334,115	7,265,727
Contributions receivable, net (note 3)	2,046,944	2,520,302
Prepaid expenses and other assets	133,046	156,860
Student loans receivable	743,708	659,114
Deposits with bond trustee (note 6)	3,747,761	3,748,203
Investments (note 2)	13,139,479	12,707,006
Deferred bond issue costs, net	1,628,616	1,676,517
Property, plant, and equipment, net (note 4)	63,263,921	61,999,402
Total assets	\$ 90,037,590	90,733,131
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 535,025	1,291,983
Unearned tuition and fees	1,005,096	1,026,452
U.S. government grants refundable	533,954	528,990
Interest rate swap liability (note 7)	1,589,415	1,669,874
Bonds payable (note 6)	44,760,000	45,720,000
Asset retirement obligation (note 9)	907,500	907,500
Total liabilities	49,330,990	51,144,799
Net assets:		
Unrestricted	25,962,144	23,132,138
Temporarily restricted (note 8)	632,925	3,207,627
Permanently restricted (note 8)	14,111,531	13,248,567
Total net assets	40,706,600	39,588,332
Total liabilities and net assets	\$ 90,037,590	90,733,131

See accompanying notes to financial statements.

MANHATTAN SCHOOL OF MUSIC
Statement of Activities
Year ended June 30, 2007
(with summarized comparative financial information
for the year ended June 30, 2006)

	2007			2006 Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Operating activities:				
Revenues:				
Student tuition and fees, net of scholarship allowance of \$5,570,417 and \$5,312,397 in 2007 and 2006, respectively	\$ 18,501,764	—	—	18,501,764
Auxiliary services	5,905,702	—	—	5,905,702
Other revenue	53,959	—	—	53,959
Total operating revenues	24,461,425	—	—	24,461,425
Expenses:				
Program services				
Instruction	11,021,342	—	—	11,021,342
Academic support	3,882,754	—	—	3,882,754
Student services	3,095,335	—	—	3,095,335
Auxiliary services	7,106,967	—	—	7,106,967
Total program services	25,106,398	—	—	25,106,398
Supporting services:				
General and administrative	3,760,601	—	—	3,760,601
Fund-raising	938,420	—	—	938,420
Total supporting services	4,699,021	—	—	4,699,021
Total expenses	29,805,419	—	—	29,805,419
Deficiency of operating revenues over expenses	(5,343,994)	—	—	(5,343,994)
Nonoperating activities:				
Net assets released from restrictions	3,207,627	(3,207,627)	—	—
Contributions and grants	1,977,971	632,925	862,964	3,473,860
Investment return (note 2)	2,277,061	—	—	2,277,061
Government grants	383,128	—	—	383,128
Change in value of interest rate swap (note 7)	80,459	—	—	80,459
Investment income on deposits with trustee (note 6)	247,754	—	—	247,754
Change in net assets before cumulative effect of change in accounting principle	2,830,006	(2,574,702)	862,964	1,118,268
Cumulative effect of change in accounting principle (note 9)	—	—	—	(907,500)
Change in net assets	2,830,006	(2,574,702)	862,964	1,118,268
Net assets, beginning of year	23,132,138	3,207,627	13,248,567	39,588,332
Net assets, end of year	\$ 25,962,144	632,925	14,111,531	39,588,332

See accompanying notes to financial statements.

MANHATTAN SCHOOL OF MUSIC

Statement of Cash Flows

Year ended June 30, 2007

(with comparative financial information
for the year ended June 30, 2006)

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 1,118,268	2,500,141
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Cumulative effect of change in accounting for asset retirement obligation	—	907,500
Contributions restricted for endowment	(862,964)	(296,756)
Contributions of equity securities	(45,279)	(32,085)
Depreciation and amortization	2,365,318	2,253,852
Net appreciation in fair value of investments	(1,968,366)	(1,096,591)
Change in value of interest rate swap	(80,459)	(2,046,562)
Changes in assets and liabilities:		
Decrease in contributions receivable, net	643,287	734,406
Decrease in prepaid expenses and other assets	23,814	75,024
Decrease in accounts payable and accrued expenses	(88,104)	(487,120)
(Decrease) increase in unearned tuition and fees	(21,356)	114,747
Net cash provided by operating activities	1,084,159	2,626,556
Cash flows from investing activities:		
(Decrease) increase in payable for construction	(668,854)	668,854
Purchases of property, plant, and equipment	(3,581,936)	(3,367,922)
Student loans granted	(156,850)	(117,225)
Student loans repaid	72,256	99,588
Purchases of investments	(3,153,393)	(12,277,386)
Proceeds from sales of investments	4,734,565	15,930,973
Net cash (used in) provided by investing activities	(2,754,212)	936,882
Cash flows from financing activities:		
Contributions restricted for endowment	862,964	296,756
Increase in contributions receivable related to endowment	(169,929)	(131,961)
Increase in U.S. government grants refundable	4,964	3,287
Decrease in deposits with trustee	442	464,686
Repayment of bonds payable	(960,000)	(915,000)
Net cash used in financing activities	(261,559)	(282,232)
Net (decrease) increase in cash and cash equivalents	(1,931,612)	3,281,206
Cash and cash equivalents, beginning of year	7,265,727	3,984,521
Cash and cash equivalents, end of year	\$ 5,334,115	7,265,727
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ 2,811,034	2,411,585

See accompanying notes to financial statements.

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

(with comparative financial information as of
and for the year ended June 30, 2006)

(1) Organization and Summary of Significant Accounting Policies

Organization

Manhattan School of Music (the School) is a preeminent international conservatory of music granting Bachelor of Music, Master of Music, Doctor of Musical Arts degrees, and postgraduate degree programs. The School, which was founded in 1918, serves more than 800 college students from more than 40 countries, and more than 400 students in the age group of 5–18 in the precollege division, as well as provides a summer music camp to approximately 125 New York City school children in fifth through eighth grades each summer. The School employs an artist-teacher faculty of approximately 275 professional musicians.

Tax Status

The School is exempt from federal income taxes under the provisions of Section 501(c) (3) of the Internal Revenue Code.

Summary of Significant Accounting Policies

The significant accounting policies followed by the School are described below.

Financial Statement Presentation

The School prepares its financial statements on the accrual basis of accounting. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of the School and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that they be maintained permanently by the School, but permit the School to expend all or part of the income derived therefrom.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) except for those restrictions met in the same year as received, which are reported as revenues of the unrestricted net assets, are reported as net assets released from restrictions.

The statement of activities distinguishes between operating and nonoperating activities. Nonoperating activities include investment return, contributions and grants, and the change in value of interest rate swap.

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

**(with comparative financial information as of
and for the year ended June 30, 2006)**

Contributions

Contributions, which include unconditional promises to give, are recognized as revenue when received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates (ranging from 4.92% to 6.03%) applicable to the years in which the promises are received.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and temporary investments purchased with original maturities of three months or less.

Investments

The School's investments are carried at fair value with realized and unrealized gains and losses reflected in the statement of activities.

Deferred Bond Issue Costs

Costs incurred for issuance of bonds are capitalized and amortized on a straight-line basis over the term of the related bonds.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or, if donated, at fair value on the date of contribution. Depreciation of assets is computed on the straight-line method over the estimated useful lives of 5 to 40 years.

Unearned Tuition and Fees

The School records unearned tuition and fees related to prepayments of spring and fall session college tuition.

U.S. Government Grants Refundable

The School participates in the Perkins Loan Program (the Program) sponsored by the U.S. Department of Education. Funds provided by the U.S. government under the Program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the U.S. government and are presented in the accompanying statement of financial position as liabilities.

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

(with comparative financial information as of
and for the year ended June 30, 2006)

Use of Estimates

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

Prior Year Summarized Comparative Financial Information

The financial statements include certain prior year's summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

(2) Investments

The fair value of investments at June 30, 2007 and 2006 is as follows:

	<u>2007</u>	<u>2006</u>
Bonds	\$ —	1,258,305
Equity securities	10,197,674	8,816,713
Alternative investment	2,941,805	2,631,988
	<u>\$ 13,139,479</u>	<u>12,707,006</u>

Bonds and equity securities consist of publicly traded marketable securities. Fair values at June 30, 2007 and 2006 are based on published prices. The valuation of the alternative investment is based upon fair value provided by the fund manager, which is reviewed by the School's management for reasonableness.

Investment return for the years ended June 30, 2007 and 2006 consists of the following:

	<u>2007</u>	<u>2006</u>
Interest and dividends	\$ 414,117	459,563
Net appreciation in fair value of investments	1,968,366	1,096,591
Less investment advisory fees	(105,422)	(180,140)
Investment return	<u>\$ 2,277,061</u>	<u>1,376,014</u>

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

(with comparative financial information as of
and for the year ended June 30, 2006)

(3) Contributions Receivable

Contributions receivable are scheduled to be collected as follows at June 30, 2007 and 2006:

	2007	2006
Within one year	\$ 723,733	938,333
One to five years	1,508,032	1,893,477
Over five years	—	25,000
	2,231,765	2,856,810
Discount to present value	(184,821)	(336,508)
Contributions receivable, net	\$ 2,046,944	2,520,302

Approximately 73% and 89% of the contributions receivable at June 30, 2007 and 2006, respectively, is from an individual donor.

(4) Property, Plant, and Equipment

Property, plant, and equipment at June 30, 2007 and 2006 consist of the following:

	2007	2006
Land	\$ 1,240,000	1,240,000
Buildings	70,876,220	64,721,510
Furniture and equipment	1,894,278	1,682,888
Musical instruments and audio equipment	2,945,491	2,772,066
Library books, music, and art work (including rare collection items)	1,070,489	1,070,489
Construction in progress	157,640	3,115,229
	78,184,118	74,602,182
Less accumulated depreciation	(14,920,197)	(12,602,780)
	\$ 63,263,921	61,999,402

(5) Pension Plan

The School participates in an immediate vesting, defined contribution pension plan, which covers all full-time employees through the Teachers Insurance and Annuity Association (TIAA). The School's policy is to fund, on a current basis, pension costs accrued under the plan. Total annual costs under the plan for the years ended June 30, 2007 and 2006 amounted to approximately \$638,000 and \$580,000, respectively.

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

(with comparative financial information as of
and for the year ended June 30, 2006)

(6) Bonds Payable

In July 2000, the School entered into a financial arrangement for \$49,000,000 of variable rate Revenue Bonds, which are due serially through 2029 and issued by the Trust for Cultural Resources of the City of New York (the Trust). The arrangement was entered into to partially fund construction of a mixed-use building primarily for use as a dormitory for the School's students. The School has financed the balance of the construction with available funds of the School. As part of the arrangement, the School was granted a mortgage on the land, building, and certain fixtures and equipment, which were financed by the Revenue Bonds. During 2007, interest rates on the bonds ranged from 3.34% to 3.93%.

In connection with the debt agreements, the School is required to maintain a bond principal fund through 2029. The balances in the bond principal fund are \$3,741,509 and \$3,744,361 at June 30, 2007 and 2006, respectively. Earnings on this fund, which totaled \$247,754 and \$248,912 in 2007 and 2006, respectively, are used to make principal payments. In addition, the School created a development fund, the balances of which at June 30, 2007 and 2006 are \$6,252 and \$3,842, respectively.

The maturities of the bonds payable are as follows:

	<u>Amount</u>
Year ending June 30:	
2008	\$ 1,015,000
2009	1,070,000
2010	1,130,000
2011	1,190,000
2012	1,255,000
Thereafter	39,100,000
	<u>\$ 44,760,000</u>

(7) Interest Rate Swap

At June 30, 2007 and 2006, the School had an interest rate swap contract to pay fixed rate interest (4.85%) and receive variable rates of interest on the contractually established notional amount. The contract expires October 1, 2010. The School is required to pay the difference between the SIMFA Index, which is reset weekly, and the fixed rate. The weekly SIMFA Index rate was between 3.34% to 3.93% during the period July 1, 2006 to June 30, 2007. The interest rate swap liability balance of \$1,589,415 and \$1,669,874 at June 30, 2007 and 2006, respectively, is the cost of terminating the swap agreement. The change in fair value of the swap is recorded as a nonoperating reduction or increase in unrestricted net assets in the statement of activities. In 2007 and 2006, the change in fair value of the swap amounted to an increase in unrestricted net assets of \$80,459 and \$2,046,562, respectively.

Payments on the interest rate swap for fiscal 2007 and 2006 is \$2,176,104 and \$2,242,000, respectively.

MANHATTAN SCHOOL OF MUSIC

Notes to Financial Statements

June 30, 2007

(with comparative financial information as of
and for the year ended June 30, 2006)

In September 2007, the School was notified by Morgan Stanley Capital Services that a rate change event has occurred under the interest-rate swap contract and that effective September 6, 2007, a market reset rate shall be applied instead of the SIMFA Index. At August 31, 2007, the market reset rate was 6%.

(8) Restricted Net Assets

Temporarily restricted net assets of \$632,925 and \$3,207,627 are primarily restricted for capital purposes, including construction-in-progress costs. Such amounts restricted for capital purposes are released from restriction when the asset is placed into service.

The income from permanently restricted funds is expendable to support the following at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Educational programs	\$ 683,016	683,016
Scholarships	10,997,227	10,134,263
General operations of the School	<u>2,431,288</u>	<u>2,431,288</u>
	<u>\$ 14,111,531</u>	<u>13,248,567</u>

(9) Asset Retirement Obligation

In March 2005, the Financial Accounting Standards Board issued Interpretation No. 47 (FIN 47), *Accounting for Conditional Asset Retirement Obligations*. Under FIN 47, organizations must accrue for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. Management has identified asbestos abatement as a conditional asset retirement obligation. Accordingly, in 2006, \$907,500 is reflected as the total asset retirement obligation in the accompanying statement of financial position and is reflected as a cumulative effect of a change in accounting principle in the accompanying statement of activities. There were no settlements of the asset retirement obligation in 2007.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.		
Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization MANHATTAN SCHOOL OF MUSIC	Employer identification number 13-1656667
	Number, street, and room or suite no. If a P.O. box, see instructions. 120 CLAREMONT AVENUE, NO. 115	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10027	

Check type of return to be filed (File a separate application for each return):

Form 990
 Form 990-EZ
 Form 990-T (sec. 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **MANHATTAN SCHOOL OF MUSIC**
Telephone No. **917-493-4563** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 15, 2008**.

5 For calendar year _____, or other tax year beginning **JUL 1, 2006**, and ending **JUN 30, 2007**.

6 If this tax year is for less than 12 months, check reason. Initial return Final return Change in accounting period

7 State in detail why you need the extension
INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature _____ Title **CPA** Date _____

Notice to Applicant. (To Be Completed by the IRS)

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

By: _____ Date _____

Director _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name GOLDSTEIN LIEBERMAN & CO LLC
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1 INTERNATIONAL BLVD, STE 700
	City or town, province or state, and country (including postal or ZIP code) MAHWAH, NJ 07495