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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)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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, and ending

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

C Name of organization: ALLIANCE FOR QUALITY EDUCATION, INC. Address: 94 CENTRAL AVENUE, ALBANY, NY 12206

D Employer identification number: 22-3810450. E Telephone number: 518 432-5315. F Accounting method: Accrual

G Website: www.allianceforqualityeducation.org

J Organization type (check only one): X 501(c) (4)

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

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? No. H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? No. H(d) Is this a separate return filed by an organization covered by a group ruling? No.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 342,944

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 (See the instructions.)

Table with 21 rows for Revenue, Expenses, and Net Assets. Includes sub-rows for contributions, program revenue, investment income, and sales of assets. Total revenue is 342,944 and total expenses is 342,944.

SCANNED DEC 19 2007

RECEIVED NOV 21 2007

Handwritten numbers: 610, 16

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 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	0	0	0	0
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	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) (attach schedule)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	70,133	70,133		
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	23,192	23,192		
29	Payroll taxes	6,599	6,599		
30	Professional fundraising fees	0			
31	Accounting fees	2,000		2,000	
32	Legal fees	0			
33	Supplies	7,352	7,352		
34	Telephone	24,907	24,907		
35	Postage and shipping	533	533		
36	Occupancy	0			
37	Equipment rental and maintenance	3,101	3,101		
38	Printing and publications	9,355	9,355		
39	Travel	32,115	32,115		
40	Conferences, conventions, and meetings	11,504	11,504		
41	Interest	0			
42	Depreciation, depletion, etc (attach schedule)	532	532	0	0
43	Other expenses not covered above (itemize):				
a	Web site	6,393	6,393	0	0
b	Program awareness	11,927	11,927	0	0
c	Fees	350	350	0	0
d	Other costs	886	886	0	0
e	Program and management consultants	129,925	113,693	16,232	0
f	Insurance	2,140	2,140	0	0
g		0	0	0	0
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	342,944	324,712	18,232	0

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 \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$, and (iv) the amount allocated to Fundraising \$

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.

<p>What is the organization's primary exempt purpose? ▶ Educational policy, advocacy, research</p> <p>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.)</p>	<p>Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)</p>
<p>a Programs dedicated to providing information to the general public, parents, school officials and community residents on educational policy and resources by community awareness, research reports, publications, conferences and other outreach items.</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>324,712</p>
<p>b</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>c</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/></p>	
<p>e Other program services (attach schedule) (Grants and allocations \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/></p>	<p>0</p>
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	<p>324,712</p>

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)		(B)	
		Beginning of year		End of year	
Assets	45	Cash—non-interest-bearing	92,791	45	24,302
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable	47a 0		
	b	Less: allowance for doubtful accounts	47b 0	47c 0	0
	48 a	Pledges receivable	48a 0		
	b	Less: allowance for doubtful accounts	48b 0	48c 0	0
	49	Grants receivable	0	49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)	0	50a	0
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51 a	Other notes and loans receivable (attach schedule)	51a 0		
	b	Less: allowance for doubtful accounts	51b 0	51c 0	0
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	27,196
	54 a	Investments—publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54a 0
	b	Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54b 0
	55 a	Investments—land, buildings, and equipment basis	55a 0		
	b	Less: accumulated depreciation (attach schedule)	55b 0	55c 0	0
	56	Investments—other (attach schedule)		56	0
	57 a	Land, buildings, and equipment, basis	57a 2,662		
b	Less: accumulated depreciation (attach schedule)	57b 2,395	799	57c 267	
58	Other assets, including program-related investments (describe ▶)		0	58 0	
59	Total assets (must equal line 74) Add lines 45 through 58		93,590	59 51,765	
Liabilities	60	Accounts payable and accrued expenses	29,214	60	39,505
	61	Grants payable		61	
	62	Deferred revenue	64,376	62	12,260
	63	Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64 a	Tax-exempt bond liabilities (attach schedule)	0	64a	0
	b	Mortgages and other notes payable (attach schedule)	0	64b	0
	65	Other liabilities (describe ▶)		0	65 0
66	Total liabilities. Add lines 60 through 65		93,590	66 51,765	
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	0	67	
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	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)		0	73 0
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73.		93,590	74 51,765

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	342,944
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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	342,944
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	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	342,944

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

a	Total expenses and losses per audited financial statements		a	342,944
b	Amounts included on line a but not on 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	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	342,944
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	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	342,944

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) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name All volunteer board Str City see list ST ZIP	Title Hr/WK	0	0	0
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			
Name N/A Str City ST ZIP	Title Hr/WK			

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 21		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" ▶ If "Yes," attach a statement that includes the information described in the instructions.	75c	X
d	Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name <u>NONE</u> Str City ST ZIP	0	0	0	0
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				
Name <u>N/A</u> Str City ST ZIP				

Part VI Other Information (See the instructions.)		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization ▶ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions) ▶ 81a 0	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	X	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	X	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	X	
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.	X	
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	
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	
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 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
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
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0"/> ; section 4912 <input type="text" value="0"/> ; section 4955 <input type="text" value="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		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="text" value="0"/>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="text" value="0"/>		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	N/A	
90 a	List the states with which a copy of this return is filed <input type="text" value="NY"/>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)		
	90b		
91 a	The books are in care of <input type="text" value="Name Nexus Management Corp"/> Telephone no. <input type="text" value="518 465-4600"/> Located at <input type="text" value="94 Central Avenue"/> City <input type="text" value="Albany"/> ST <input type="text" value="NY"/> ZIP + 4 <input type="text" value="12206"/>		
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 <input type="text"/>		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 Yes No
If "Yes," enter the name of the foreign country ▶
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ▶
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 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					
96 Dividends and interest from securities					
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					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
104 Subtotal (add columns (B), (D), and (E))		0		0	0
105 Total (add line 104, columns (B), (D), and (E))					0

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)
▼	

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	%		0	0
	%		0	0
	%		0	0
	%		0	0

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).

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

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				0

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

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				0

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

Yes	No
	X

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: William C Easton Date: 11/15/07
 Type or print name and title: William C Easton, Executive Director

Paid Preparer's Use Only

Preparer's signature: George R. Kaminski Date: 11/13/2007 Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. X): P00488115
 Firm's name (or yours if self-employed), address, and ZIP + 4: George R. Kaminski CPA EIN: 14-1721118
5 Herbert Drive, Latham, NY 12110 Phone no: (518) 782-2670

ALLIANCE FOR QUALITY EDUCATION, INC.
Notes to Financial Statements
For the Fiscal Year Ended December 31, 2006

Note 1 - Nature of Organization and Significant Accounting Policies - continued

Equipment

Equipment is acquired under restrictive grant funding provisions or as administrative acquisitions. All equipment acquired under grantor restrictions is primarily the property of the grantor and is retained by the Organization with the requirement that all equipment acquired be utilized in the performance of the project or related activity. The equipment is expensed when acquired under the grant provisions and no depreciation is recorded thereon. Administrative equipment acquired is stated at cost or, if donated, at the approximate fair market value at the date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of 5 years.

Unexpended Advances and Commitments

Committed reimbursable grants and contracts to fund expenditures to be made in a subsequent period are deferred, and revenues will be recognized during the period in which expenses are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Grants Receivable and Unexpended Program Advances

Grants receivable and unexpended program advances consisted of the following at December 31, 2006:

<u>Grants Receivable</u>	<u>Unexpended Advances</u>
\$ -0-	\$ 12,260

(continued)

Line 1 (990) - Public Support and Contributions

	Cash	Non Cash
Line 1a - Contributions to Donor Advised Funds		
Line 1b - Direct public support		
1 Contributions	1,078	1
2 Membership dues and assessments (contributions from the public)		2
3 Commercial co-venture		3
4 Special events contributions (Line 9 - Special Events)	0	4
5 Grants-Foundations	327,116	5
6 Grants and support-Organizations, Individuals	14,700	6
7 Other	50	7
8		8
9		9
10 Total	342,944	10 0
Line 1c - Indirect public support		
Line 1d - Government contributions (grants)		

ALLIANCE FOR QUALITY EDUCATION, INC.

Notes to Financial Statements

For the Fiscal Year Ended December 31, 2006

Note 1 - Nature of Organization and Significant Accounting Policies

The Alliance for Quality Education, Inc. (the Organization) is a not-for-profit organization dedicated to providing information to the general public, parents, school officials and community residents about educational policy and resources through community awareness and outreach activities, advocacy, research reports for public awareness and educational services including seminars, conferences, publications and professional assistance for the purpose of promoting awareness and improvement in the educational infrastructure in the State of New York.

Income Tax Status

The Organization was incorporated in 2001 under the New York State Not-For-Profit Corporation Law and is a tax-exempt corporation under Section 501(c) (4) of the Internal Revenue Code.

Significant accounting policies followed by the Organization in the preparation of its financial statements are presented below:

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. All of the Organization's revenue is derived from direct public sources. Net assets and changes in net assets are classified based on donor and sponsor imposed restrictions.

Revenues and Expenses

All of the Organization's revenue is derived from foundations and direct public sources. Grants and contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports grants as temporarily restricted support if they are received with donor stipulations that limit the use of the funds, or if they are designated as support for future periods. When applicable expenses are incurred, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in a demand deposit bank account.

(continued)

ALLIANCE FOR QUALITY EDUCATION, INC.

Notes to Financial Statements

For the Fiscal Year Ended December 31, 2006

Note 3 – Program Office Space

The Alliance for Quality Education, Inc.'s program offices are in office space under administration of Nexus Management Corporation, the administrative services provider. Allocated costs are charged in addition to administrative management fees.

Note 4 - Related Party Transactions

The Alliance for Quality Education, Inc. is related to Citizen Action of New York, Inc., a public advocacy tax exempt organization, through board membership and complimentary activities supporting education reform and improvement.

During the Fiscal Year Ended December 31, 2006, Citizen Action of New York, Inc. continued a grant agreement with the Alliance for Quality Education, Inc. to provide services related to organizing and delivery of programs in the educational arena.

The Alliance for Quality Education, Inc. is related to Nexus Management Corporation through management. Nexus Management Corporation maintains the Organization's general ledger and performs various other management functions as well as paying for administrative expenses.

Note 5 - Contingencies

Substantially all foundation grants are subject to financial and compliance audits by the grantor. Disallowances, if any, as a result of these audits may become liabilities of the Organization. Management believes that no material disallowance will result from audits by grantors.

ALLIANCE FOR QUALITY EDUCATION**FYE 12-31-06****BOARD OF DIRECTORS-ALL VOLUNTEER, NO COMPENSATION**

Name	Address	Organization
Betty Holcomb	Eighth Ave, New York, NY	Child Care Inc
Bob Hughes	13th Satreet, New York, NY	New Visions for Schools
Carol Gersti	Broadway, New York, NY	UFT
Charmain Cohen	Hart St, Rochester, NY	
Don Shaffer	Broad St, New York, NY	NYCLU
Doug Williams	Barney St, Schenectady, NY	
Eileen Hamlin	Katalek Rd, Kirkwood, NY	
Greg Newton	Gregory Park, Rochester, NY	
Jessica Garcia	Madison Suite, New York, NY	CFE
Jim Anderson	Eggert Rd, Buffalo, NY	
Jon Kest	Nevins St, Brooklyn, NY	Acorn
Karen Scharff	Central Ave, Albany, NY	Citizen Action
Karen Schimke	State Street, Albany, NY	Pre-K Coalition
Kathleen Gomez	East 30th St, New York, NY	
Larry Wood	Columbus Ave, New York, NY	
Lisa Tyson	Penn. Ave, Masseurqua, NY	PIPC
Norm Fruchter	Washington Sq, New York, NY	NYU
Pam Howell	Woodlawn, Albany, NY	
Pamela Percival	Dewitt Rd, Syracuse, NY	
Paul Webster	Lark St, Albany, NY	NEA
Ron Jordan	E 196th St, Bronx, NY	MWBCCC

- 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	Employer identification number	
	ALLIANCE FOR QUALITY EDUCATION, INC.	22-3810450	
	Number, street, and room or suite no If a P.O. box, see instructions	For IRS use only	
	23 ELK STREET		
	City, town or post office, state, and ZIP code For a foreign address, see instructions		
	ALBANY, NY 12207		

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

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

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 Nexus Mgmt
Telephone No 518 465-4600 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 11/15/2007

5 For calendar year 2006, or other tax year beginning _____, and ending _____

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 More time is requested to acquire all information needed to complete and file an accurate return. Delays in the receipt of third party sponsor information has necessitated additional time to complete the year end audit and complete the tax reports

8 a	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	\$	0

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 [Signature] Title CPA Date 8/14/07

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 _____

Director _____ By _____ 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	George R Kaminski CPA
	Number and street (include suite, room, or apt. no) or a P.O. box number	5 Herbert Drive
	City or town, province or state, and country (including postal or ZIP code)	Latham, NY 12110