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Return of Organization Exempt From Income Tax

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

A For the 2007 calendar year, or tax year beginning _____, and ending _____

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

C Name of organization: **ALLIANCE FOR QUALITY EDUCATION, INC.**
 Number and street (or P O box if mail is not delivered to street address) Room/suite: _____
94 CENTRAL AVENUE
 City or town State or country ZIP + 4:
ALBANY NY 12206

D Employer identification number: **22-3810450**

E Telephone number: **518 432-5315**

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **www.allianceforqualityeducation.org**

J Organization type (check only one) 501(c) (4) (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.

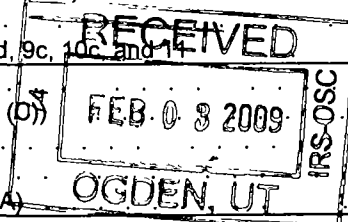
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **594,660**

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

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

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

Line	Description	Amount
1	Contributions, gifts, grants, and similar amounts received:	
a	Contributions to donor advised funds	1a 0
b	Direct public support (not included on line 1a)	1b 594,660
c	Indirect public support (not included on line 1a)	1c 0
d	Government contributions (grants) (not included on line 1a)	1d 0
e	Total (add lines 1a through 1d) (cash \$ 594,660 noncash \$ 0)	1e 594,660
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2 0
3	Membership dues and assessments	3 0
4	Interest on savings and temporary cash investments	4 0
5	Dividends and interest from securities	5 0
6a	Gross rents	6a
b	Less rental expenses	6b
c	Net rental income or (loss). Subtract line 6b from line 6a	6c 0
7	Other investment income (describe _____)	7 0
8a	Gross amount from sales of assets other than inventory	(A) Securities 0 (B) Other 0
b	Less cost or other basis and sales expenses	8b 0
c	Gain or (loss) (attach schedule)	8c 0
d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8d 0
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	
a	Gross revenue (not including \$ 0 of contributions reported on line 1b)	9a 0
b	Less direct expenses other than fundraising expenses	9b 0
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c 0
10a	Gross sales of inventory, less returns and allowances	10a 0
b	Less cost of goods sold	10b 0
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c 0
11	Other revenue (from Part VII, line 103)	11 0
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12 594,660
13	Program services (from line 44, column (B))	13 577,269
14	Management and general (from line 44, column (D))	14 16,795
15	Fundraising (from line 44, column (D))	15 0
16	Payments to affiliates (attach schedule)	16 0
17	Total expenses. Add lines 16 and 44, column (A)	17 594,064
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18 596
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19 0
20	Other changes in net assets or fund balances (attach explanation)	20 0
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21 596



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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. (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 \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) 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	0		
25 a	Compensation of current officers, directors, key employees, etc listed in Part V-A	0	0	0	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)	0		0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	95,863	95,863		
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	28,067	28,067		
29	Payroll taxes	8,672	8,672		
30	Professional fundraising fees	0			
31	Accounting fees	2,000		2,000	
32	Legal fees	0			
33	Supplies	8,287	8,287		
34	Telephone	39,484	39,484		
35	Postage and shipping	1,444	1,444		
36	Occupancy	16,200	16,200		
37	Equipment rental and maintenance	2,814	2,814		
38	Printing and publications	7,266	7,266		
39	Travel	6,437	6,437		
40	Conferences, conventions, and meetings	4,205	4,205		
41	Interest	256	256		
42	Depreciation, depletion, etc (attach schedule)	267	267	0	0
43	Other expenses not covered above (itemize):				
a	Web site	1,412	1,412	0	0
b	Program awareness	4,727	4,727	0	0
c	Fees	300	0	300	0
d	Other costs	150	150	0	0
e	Program and management consultants	364,152	349,657	14,495	0
f	Insurance	2,061	2,061	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)	594,064	577,269	16,795	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 efforts, publications, conferences and outreach.</p> <p>(Grants and allocations \$ 0) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>577,269</p>
<p>b</p> <p>(Grants and allocations \$ 0) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>0</p>
<p>c</p> <p>(Grants and allocations \$ 0) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>0</p>
<p>d</p> <p>(Grants and allocations \$ 0) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	<p>0</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>577,269</p>

Part IV Balance Sheets (See the instructions.)

				(A)		(B)	
				Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only							
Assets	45	Cash—non-interest-bearing		24,302	45	30,469	
	46	Savings and temporary cash investments			46		
	47 a	Accounts receivable	47a	0			
	b	Less allowance for doubtful accounts	47b	0	47c	0	
	48 a	Pledges receivable	48a	0			
	b	Less allowance for doubtful accounts	48b	0	48c	0	
	49	Grants receivable			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	
	52	Inventories for sale or use			52		
	53	Prepaid expenses and deferred charges			27,196	53	36,956
	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	0	55c	0
	56	Investments—other (attach schedule)			0	56	0
	57 a	Land, buildings, and equipment: basis	57a	2,662			
b	Less accumulated depreciation (attach schedule)	57b	2,662	267	57c	0	
58	Other assets, including program-related investments (describe _____)			0	58	0	
59	Total assets (must equal line 74). Add lines 45 through 58			51,765	59	67,425	
Liabilities	60	Accounts payable and accrued expenses		39,505	60	12,000	
	61	Grants payable			61		
	62	Deferred revenue		12,260	62	54,829	
	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			51,765	66	66,829	
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			67	596	
	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	596	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73.			51,765	74	67,425	

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	594,660
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	594,660
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	594,660

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

a	Total expenses and losses per audited financial statements		a	594,064
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	594,064
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	594,064

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 Str Board-list attached City 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 <i>(continued)</i>	Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 27		
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>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 _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				

Part VI Other Information <i>(See the instructions.)</i>	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		
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 a	501(c)(4), (5), or (6). 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?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 a	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 a	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	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 ; section 4912 ; section 4955		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	N/A
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, 2007 (See instructions.)	90b	
91 a	The books are in care of Name Nexus Management Corp Telephone no. 518 465-4600 Located at 94 Central Avenue City Albany ST NY ZIP + 4 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 See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

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?
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041

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

Note: Enter gross amounts unless otherwise indicated.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, etc.

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

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

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

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

Table with 5 columns: (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.

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?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

Please Sign Here

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

William Cook Easton 11/26/09
 Signature of officer Date

William Cook Easton, Executive Director
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature: *George R. Kaminski* Date: 1/13/2009 Check if self-employed: Preparer's SSN or PTIN (See Gen Inst X): P00488115

Firm's name (or yours if self-employed): George R. Kaminski CPA EIN: 14-1721118

address, and ZIP + 4: 5 Herbert Drive, Latham, NY 12110 Phone no: (518) 782-2670

Line 1 (990) - Public Support and Contributions

	Cash	Non Cash
Line 1a - Contributions to Donor Advised Funds		
Line 1b - Direct public support		
1 Contributions	2,379	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 Foundation grants	440,000	5
6 Grants and support-Organizations	152,281	6
7		7
8		8
9		9
10 Total	594,660	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, 2007

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.

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ALLIANCE FOR QUALITY EDUCATION, INC.

Notes to Financial Statements

For the Fiscal Year Ended December 31, 2007

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, 2007:

	<u>Grants Receivable</u>	<u>Unexpended Advances</u>
Schott Foundation for Public Education	\$ -0-	\$ 12,260
United Federation of Teachers	<u>-0-</u>	<u>42,569</u>
Total:	\$ <u>-0-</u>	<u>\$ 54,829</u>

(continued)

ALLIANCE FOR QUALITY EDUCATION, INC.

Notes to Financial Statements

For the Fiscal Year Ended December 31, 2007

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, 2007, 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 12-31-07
 BOARD OF DIRECTORS-ALL VOLUNTEER, NO COMPENSATION**

Region	F. Name	L. Name	Organization
Western	Jim Michael Mae Bryon	Anderson McDuffie Bynam McIntyre	
Fingerlakes	Glenny Greg	Williams Newton	
Central NY	Margaret	Glenn	
Binghamton	Eileen	Hamlin	
Capital District	Doug Ivette	Williams Alphonso	
New York City	Larry Victoria Zakiyah George Erlene	Wood Bousquet Ansari Rivera Wilkerson	
Long Island	Barbara Darrin Ampara	Blue Green Sadler	
Teacher's Unions	Carol	Gerstl	UFT
CFE	Helaine	Doran	CFE
Organizations	Karen Tunisha Ronn	Scharff Walker Jordan	Citizen Action Acorn NWBCCC
At Large Reps	Betty Don Trudi Ken	Holcomb Shaffer Renwick Cohen	NYCLU FPI NAACP