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Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2007

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning **OCT 1, 2007** and ending **SEP 30, 2008**

Open to Public Inspection for 501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.)	D Employer identification number (Employees' trust, see instructions for Block D on page 9)
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3)) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		CARNEGIE CORPORATION OF NEW YORK	13-1628151
		Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 437 MADISON AVENUE City or town, state, and ZIP code NEW YORK, NY 10022	E Unrelated business activity codes (See instructions for Block E on page 9) 525990
C Book value of all assets at end of year	F Group exemption number (see instructions for Block F.)		
	G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

H Describe the organization's primary unrelated business activity. **▶ SEE STATEMENT 6**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. **▶**

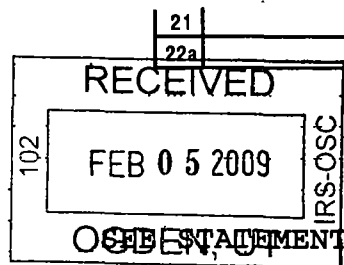
J The books are in care of **▶ ROBERT J. SEMAN** Telephone number **▶ 212-371-3200**

Part I. Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances	c Balance ▶	1c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4a 17,711,678.		17,711,678.
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4b		
c Capital loss deduction for trusts		4c		
5 Income (loss) from partnerships and S corporations (attach statement)		5 1,787,234.	STMT 1	1,787,234.
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule.)		12		
13 Total. Combine lines 3 through 12		13 19,498,912.		19,498,912.

Part II. Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	361,256.
19 Taxes and licenses	19	3,999,604.
20 Charitable contributions (See instructions for limitation rules.)	20	1,392,806.
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	1,209,991.
29 Total deductions. Add lines 14 through 28	29	6,963,657.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	12,535,255.
31 Net operating loss deduction (limited to the amount on line 30)	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	12,535,255.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	12,534,255.

SEE STATEMENT 2
SEE STATEMENTS



SCANNED FEB 10 2009

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here... 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: 37 Proxy tax. See instructions 38 Alternative minimum tax 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40b Other credits (see instructions) 40c General business credit. Check here and indicate which forms are attached: 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40e Total credits. Add lines 40a through 40d 41 Subtract line 40e from line 39 42 Other taxes. Check if from: 43 Total tax. Add lines 41 and 42 44a Payments: A 2006 overpayment credited to 2007 44b 2007 estimated tax payments 44c Tax deposited with Form 8868 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44e Backup withholding (see instructions) 44f Other credits and payments: 45 Total payments. Add lines 44a through 44f 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 49 Enter the amount of line 48 you want: Credited to 2008 estimated tax 500,000. Refunded

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year 2 Purchases 3 Cost of labor 4a Additional section 263A costs 4b Other costs (attach schedule) 5 Total. Add lines 1 through 4b 6 Inventory at end of year 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

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 taxpayer) is based on all information of which preparer has any knowledge

Sign Here Signature of officer Robert J. Sena 11/29/09 CFO Title

Paid Preparer's Use Only Preparer's signature Mary Ann Leif CPA Date 01/27/09 Check if self-employed Preparer's SSN or PTIN P00029738 Firm's name (or yours if self-employed), address, and ZIP code RSM MCGLADREY, INC. 1185 AVENUE OF THE AMERICAS NEW YORK, NY 10036-2602 EIN 41-1944416 Phone no. 212-372-1000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property		2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)			
(1)				
(2)				
(3)				
(4)				
Total		0.	Total 0.	
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)				Total deductions. Enter here and on page 1, Part I, line 6, column (B)
				0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)					
(1)						%		
(2)						%		
(3)						%		
(4)						%		
Totals							0.	0.
Total dividends-received deductions included in column 8							0.	0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations				6 Deductions directly connected with income in column 5
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income		
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10		
(1)						
(2)						
(3)						
(4)						
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B)		
			0.	0.		

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 22)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Totals row shows 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 22)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income (loss) from unrelated trade or business, 5 Gross income from activity, 6 Expenses attributable, 7 Excess exempt expenses. Totals row shows 0.

Schedule J - Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals row shows 0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals row shows 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Total row shows 0.

Alternative Minimum Tax - Corporations

2007

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **CARNEGIE CORPORATION OF NEW YORK** Employer identification number **13-1628151**

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1	Taxable income or (loss) before net operating loss deduction	1	12,534,255.
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	89,661.
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	103,988.
f	Long-term contracts	2f	
g	Merchant marine capital construction funds	2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i	Tax shelter farm activities (personal service corporations only)	2i	
j	Passive activities (closely held corporations and personal service corporations only)	2j	
k	Loss limitations	2k	
l	Depletion	2l	
m	Tax-exempt interest income from specified private activity bonds	2m	
n	Intangible drilling costs	2n	652,644.
o	Other adjustments and preferences	2o	7,776.
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	3	13,388,324.
4	Adjusted current earnings (ACE) adjustment:		
a	ACE from line 10 of the ACE worksheet in the instructions	4a	13,388,324.
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b	
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions) Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	
5	Combine lines 3 and 4e. If zero or less, stop here, the corporation does not owe any AMT.	5	13,388,324.
6	Alternative tax net operating loss deduction (see instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions.	7	13,388,324.
8	Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a	
b	Multiply line 8a by 25% (.25)	8b	
c	Exemption Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions) If zero or less, enter -0-	8c	
9	Subtract line 8c from line 7. If zero or less, enter -0-	9	13,388,324.
10	Multiply line 9 by 20% (.20)	10	2,677,665.
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	11	
12	Tentative minimum tax. Subtract line 11 from line 10	12	2,677,665.
13	Regular tax liability before applying all credits except the foreign tax credit and the American Samoa economic development credit	13	4,286,989.
14	Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	

For Paperwork Reduction Act Notice, see the instructions.

Form **4626** (2007)

Sales of Business Property
 (Also Involuntary Conversions and Recapture Amounts
 Under Sections 179 and 280F(b)(2))
 ▶ Attach to your tax return. ▶ See separate instructions.

CARNEGIE CORPORATION OF NEW YORK Identifying number
13-1628151

1 Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2 SECTION 1231 CAPITAL GAIN - SEE STMT 4						16,905,606.

3 Gain, if any, from Form 4684, line 39	3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37	4
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5
6 Gain, if any, from line 32, from other than casualty or theft	6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.	7 16,905,606.
8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7	11
12 Gain, if any, from line 7 or amount from line 8, if applicable	12
13 Gain, if any, from line 31	13
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16
17 Combine lines 10 through 16	17
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18a 18b

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A				
B				
C				
D				
These columns relate to the properties on lines 19A through 19D.	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20			
21 Cost or other basis plus expense of sale	21			
22 Depreciation (or depletion) allowed or allowable	22			
23 Adjusted basis. Subtract line 22 from line 21	23			
24 Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	25a			
b Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975 (see instructions)	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land cleaning expenses	27a			
b Line 27a multiplied by applicable percentage	27b			
c Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32

Part IV: Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 1

DESCRIPTION	AMOUNT
ORDINARY INCOME FROM LIMITED PARTNERSHIPS	1,256,334.
RENTAL INCOME FROM LIMITED PARTNERSHIPS	-48,346.
PORTFOLIO INCOME FROM LIMITED PARTNERSHIPS	351,785.
OTHER INCOME FROM LIMITED PARTNERSHIPS - SEE ATTACHED STMT 4 FOR DETAILS	227,461.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	1,787,234.

FORM 990-T INTEREST PAID STATEMENT 2

DESCRIPTION	AMOUNT
INVESTMENT INTEREST EXP FROM LIMITED PARTNERSHIPS - SEE STATEMENT 4	361,256.
TOTAL TO FORM 990-T, PAGE 1, LINE 18	361,256.

FORM 990-T OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	AMOUNT
OTHER DEDUCTIONS FROM LIMITED PARTNERSHIPS - SEE STATEMENT 4	943,279.
FOREIGN TAX EXPENSES	5,441.
TAX PREPARATION FEES	261,271.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	1,209,991.

CARNEGIE CORPORATION OF NEW YORK
EIN 13-1628151
Fiscal Year Ended - 9/30/2008

	<u>Federal</u>
<u>Ordinary Business Income (Loss)</u>	
Abry Partners V, LP	(442,218)
Acadia Mervyn Investors I LLC	19,439
Acadia Mervyn Investors II LLC	808,381
Alpine Investors II, LP	132,163
Alpine Investors III, LP	(156,047)
ASP III Alternative Investments, LP	85,481
ASP IV Alternative Investments, LP	40,920
Avanti Strategic Land Investors III (Active) LP	1,320,133
Avanti Strategic Land Investors IV (Active) LP	440,078
Baupost Value Partners, LP	(171,934)
Berkshire AIV Direct	20,002
Berkshire Fund VI (OS)	(767)
Berkshire Fund VII (OS)	(586)
CP Investment Fund, LP	86,351
CP Investment Fund II, LP	(7,563)
Drawbridge Long Dated Value Fund (B) LP	(643)
Drawbridge Long Dated Value Fund II (B) LP	(1)
Flexpoint Fund, LP	119,530
GTCR Fund VIII, LP	50,280
GTCR Fund VIII AIV, LP	(18,931)
Lime Rock Partners II, LP	(123,690)
Lime Rock Partners III, LP	41,951
Lime Rock Partners IV, LP	(39,986)
Madison Dearborn Capital Partners II, LP	(1,637)
Madison Dearborn Capital Partners III, LP	(2,255)
Madison Dearborn Capital Partners IV, LP	89,009
Madison Dearborn Capital Partners V-B, LP	96,173
OCM Real Estate Opportunities Fund B LP	(1,125,315)
The Varde Fund, LP	(26,779)
Vestar Capital Partners IV, LP	24,795
	<u>1,256,334</u>
Sub-total Ordinary Income to Statement 1	<u>1,256,334</u>
<u>Net Rental Real Estate Income (Loss)</u>	
Acadia Mervyn Investors I LLC	(21,874)
Acadia Mervyn Investors II LLC	(2,112)
Baupost Value Partners, LP	16,573
Brookdale Investors Five, LP	(388,016)
CMD Realty Investment Fund III, LP	(83,851)
CMD Realty Investment Fund IV, LP	(27,482)
Douglas Emmett Properties	131,382
Drawbridge Long Dated Value Fund II (B) LP	(1,003)
Drawbridge Long Dated Value Fund (B) LP	28
Madison Dearborn Capital Partners IV, LP	56
Shorenstein Realty Investors Three, LP	56,492
Shorenstein Realty Investors Four, LP	271,449
	<u>(48,358)</u>
<u>Other Net Rental Income (Loss)</u>	
Madison Dearborn Capital Partners IV, LP	12
	<u>12</u>
Sub-total Net Rental Income to Statement 1	<u>(48,346)</u>

	<u>Federal</u>
<u>Interest and Dividends</u>	
Acadia Mervyn Investors I LLC	1,447
Acadia Mervyn Investors II LLC	129,361
Alpine Investors III, LP	9,298
Baupost Value Partners, LP	10,277
Brookdale Investors Five, LP	6,977
CMD Realty Investment Fund III, LP	18,458
CMD Realty Investment Fund IV, LP	15,627
Drawbridge Long Dated Value Fund II (B) LP	31
Drawbridge Long Dated Value Fund (B) LP	135,642
GTCR Fund VIII, LP	1,377
GTCR Fund VIII AIV, LP	230
Madison Dearborn Capital Partners III, LP	13,485
Madison Dearborn Capital Partners IV, LP	4,262
Roark Capital Partners LP	5,313
	<u>351,785</u>
Sub-total Interest and Dividends to Statement 1	<u>351,785</u>
<u>Guaranteed payments</u>	
CMD Realty Investment Fund IV, LP	58,531
	<u>58,531</u>
<u>Royalties</u>	
GTCR Fund VIII, LP	2,118
	<u>2,118</u>
<u>Other Income</u>	
Baupost Value Partners, LP	(248)
Flexpoint Fund, LP	9,027
GTCR Fund VIII, LP	108
GTCR Fund VIII AIV, LP	22,279
Steel Partners JII Fund, LP	137,778
	<u>168,944</u>
<u>Section 179 Deduction</u>	
Alpine Investors II, LP	(982)
ASP III Alternative Investments, LP	(561)
ASP IV Alternative Investments, LP	(589)
	<u>(2,132)</u>
Sub-total Other Income to Statement 1	<u>227,461</u>
<u>Net Short-Term Capital Gain (Loss)</u>	
Acadia Mervyn Investors II LLC	749,482
Baupost Value Partners, LP	3,633
	<u>753,115</u>
Sub-total Short Term Capital Gain to Sch D, Part I	<u>753,115</u>
<u>Net Long-Term Capital Gain (Loss)</u>	
Acadia Mervyn Investors I LLC	(38)
Acadia Mervyn Investors II LLC	(22)
Madison Dearborn Capital Partners IV, LP	53,017
	<u>52,957</u>
Sub-total Long Term Capital Gain to Sch D, Part II	<u>52,957</u>

CARNEGIE CORPORATION OF NEW YORK
 EIN 13-1628151
 Fiscal Year Ended - 9/30/2008

	<u>Federal</u>
<u>Net Section 1231 Gain (Loss)</u>	
Acadia Mervyn Investors I LLC	345,991
Acadia Mervyn Investors II LLC	541,353
Baupost Value Partners, LP	204,816
CMD Realty Investment Fund III, LP	190,804
CMD Realty Investment Fund IV, LP	2,288,086
Lime Rock Partners II, LP	181
Madison Dearborn Capital Partners III, LP	3,116
Madison Dearborn Capital Partners IV, LP	33,915
Madison Dearborn Capital Partners V-B, LP	188
Shorenstein Realty Investors Four, LP	13,297,156
	<u>16,905,606</u>
 Sub-total Sec 1231 Capital Gain to Form 4797, Part I	 <u>16,905,606</u>
 Total Income	 19,498,912
<u>Investment Interest Expense</u>	
Avanti Strategic Land Investors IV (Active) LP	(349,337)
Baupost Value Partners, LP	(5,081)
Roark Capital Partners LP	(5,313)
Sequoia Capital China Fund II	(14)
Sequoia Capital China Growth Fund I	(124)
Sequoia Capital India Growth Fund I	(191)
Sequoia Capital India Fund III	(144)
Sequoia Capital Growth Fund III	(1,052)
	<u>(361,256)</u>
 Sub-total Investment Interest Expense to Statement 2	 <u>(361,256)</u>
<u>Other Expenses</u>	
Acadia Mervyn Investors II LLC	(1,424)
ASP III Alternative Investments, LP	(22,496)
ASP IV Alternative Investments, LP	(9,793)
Avanti Strategic Land Investors III (Active) LP	(177,289)
Baupost Value Partners, LP	(133)
GTCR Fund VIII AIV, LP	(238)
Lime Rock Partners II, LP	(147,574)
Lime Rock Partners III, LP	(311,749)
Lime Rock Partners IV, LP	(193,321)
Madison Dearborn Capital Partners V-B, LP	(79,262)
	<u>(943,279)</u>
 Sub-total to Statement 3	 <u>(943,279)</u>
 Foreign Tax Expense thru Partnerships - to Statement 3	 (5,441)
 Tax Preparation Fees - to Statement 3	 (261,271)
 State Taxes Paid - See Statement 5	 (3,999,604)
 Charitable Contribution (10% of Income before specific deduction) - to Form 990-T, Page 1, Line 20	 (1,392,806)
 Specific Deduction	 (1,000)
 Total Expenses	 (6,984,657)
 Net Unrelated Business Income	 12,514,255
Less: Net Operating Loss Deduction	12,514,255
Less: Net Capital Loss Deduction	12,514,255
Net Unrelated Business Income	12,514,255

STATE AND LOCAL INCOME TAXES

Alabama	235
Arizona	41,168
California	2,837,182
Georgia	19,620
Indiana	3
Illinois	1,000,000
Iowa	371
Kansas	95
Maryland	1,481
Minnesota	327
Montana	66
New Mexico	682
New York	9,526
North Carolina	2,729
Ohio	526
Oklahoma	22,972
Oregon	222
PA	713
South Carolina	646
Vermont	268
Virginia	60,020
West Virginia	98
Wisconsin	205
Utah	449
	<u>3,999,604</u>

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY

Carnegie Corporation of New York ("Carnegie") is an organization exempt from tax as described in Internal Revenue Code section 501(C)(3) as a private non-operating foundation located solely in New York.

Carnegie generates unrelated business taxable income ("UBTI") from investments in leveraged limited partnerships.