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AMENDED

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

OMB No 1545-0687

2005

Form 990-T

For calendar year 2005 or other tax year beginning 10/01/2005 and ending 09/30/2006

See separate instructions.

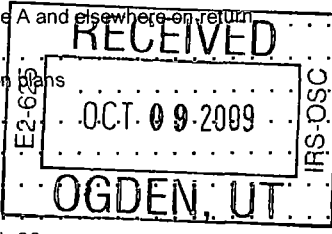
Department of the Treasury Internal Revenue Service

Header section containing organization name (CARNEGIE CORPORATION OF NEW YORK), address (437 MADISON AVENUE, NEW YORK, NY 10022), employer identification number (13-1628151), and group exemption number (2530191576).

Section H: Describe the organization's primary unrelated business activity (SEE STATEMENT 1). Section I: During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? (Yes/No). Section J: The books are in care of ROBERT J. SEMAN, Telephone number 212-371-3200.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales, 1b Less returns and allowances, 2 Cost of goods sold, 3 Gross profit, 4a Capital gain net income, 4b Net gain (loss), 4c Capital loss deduction for trusts, 5 Income (loss) from partnerships and S corporations, 6 Rent income, 7 Unrelated debt-financed income, 8 Interest, annuities, royalties, and rents from controlled organizations, 9 Investment income of a section 501(c)(7), (9), or (17) organization, 10 Exploited exempt activity income, 11 Advertising income, 12 Other income, 13 Total. Total income: 6,426,615.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Section II: Deductions Not Taken Elsewhere. Rows include: 14 Compensation of officers, directors, and trustees, 15 Salaries and wages, 16 Repairs and maintenance, 17 Bad debts, 18 Interest (attach schedule), 19 Taxes and licenses, 20 Charitable contributions, 21 Depreciation, 22 Less depreciation claimed on Schedule A and elsewhere on return, 23 Depletion, 24 Contributions to deferred compensation plans, 25 Employee benefit programs, 26 Excess exempt expenses, 27 Excess readership costs, 28 Other deductions, 29 Total deductions, 30 Unrelated business taxable income before net operating loss deduction, 31 Net operating loss deduction, 32 Unrelated business taxable income before specific deduction, 33 Specific deduction, 34 Unrelated business taxable income. Total deductions: 5,244,966. Unrelated business taxable income: 5,243,966.



SCANNED OCT 20 2009

16 GS

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations</b> See instructions for tax computation on page 13 Controlled group members (sections 1561 and 1563) - check here <input type="checkbox"/> See instructions and		
<b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order) (1) _____ (2) _____ (3) _____		
<b>b</b> Enter organization's share of (1) Additional 5% tax (not more than \$11,750), . . . . . (2) Additional 3% tax (not more than \$100,000) . . . . .		
<b>c</b> Income tax on the amount on line 34 . . . . .	<b>35c</b>	1,782,948.
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation on page 14 Income tax on the amount on line 34 from <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) . . . . .	<b>36</b>	
<b>37 Proxy tax.</b> See page 14 of the instructions . . . . .	<b>37</b>	
<b>38 Alternative minimum tax</b> . . . . .	<b>38</b>	
<b>39 Total.</b> Add lines 37 and 38 to line 35c or 36, whichever applies . . . . .	<b>39</b>	1,782,948.

**Part IV Tax and Payments**

<b>40 a</b> Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116) . . . . .	<b>40a</b>	
<b>b</b> Other credits (See page 14 of the instructions) . . . . .	<b>40b</b>	
<b>c</b> General business credit - Check here and indicate which forms are attached <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶	<b>40c</b>	
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827) . . . . .	<b>40d</b>	
<b>e</b> Total credits. Add lines 40a through 40d . . . . .	<b>40e</b>	
<b>41 Subtract line 40e from line 39.</b> . . . . .	<b>41</b>	1,782,948.
<b>42 Other taxes</b> Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule),	<b>42</b>	
<b>43 Total tax.</b> Add lines 41 and 42 . . . . .	<b>43</b>	1,782,948.
<b>44 a</b> Payments A 2004 overpayment credited to 2005 . . . . .	<b>44a</b>	160,949.
<b>b</b> 2005 estimated tax payments . . . . .	<b>44b</b>	1,975,000.
<b>c</b> Tax deposited with Form 8868 . . . . .	<b>44c</b>	
<b>d</b> Foreign organizations - Tax paid or withheld at source (see instructions) . . . . .	<b>44d</b>	
<b>e</b> Backup withholding (see instructions) . . . . .	<b>44e</b>	
<b>f</b> Other credits and payments <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶	<b>44f</b>	
<b>45 Total payments</b> Add lines 44a through 44f . . . . .	<b>45</b>	2,135,949.
<b>46 Estimated tax penalty</b> (See page 4 of the instructions) Check <input type="checkbox"/> if Form 2220 is attached . . . . .	<b>46</b>	3,551.
<b>47 Tax due.</b> If line 45 is less than the total of lines 43 and 46, enter amount owed . . . . .	<b>47</b>	NONE
<b>48 Overpayment.</b> If line 45 is larger than the total of lines 43 and 46, enter amount overpaid . . . . .	<b>48</b>	349,450.
<b>49 Enter the amount of line 48 you want Credited to 2006 estimated tax</b> ▶ 349,450. Refunded ▶	<b>49</b>	

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 16)

<b>1</b> At any time during the 2005 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)? . . . . .	Yes	No
If "Yes," the organization may have to file Form TD F 90-22.1 If "Yes," enter the name of the foreign country here ▶		X
<b>2</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? . . . . .		X
If "Yes," see page 5 of the instructions for other forms the organization may have to file		
<b>3</b> 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 ▶**

<b>1</b> Inventory at beginning of year . . . . .	<b>1</b>		<b>6</b> Inventory at end of year . . . . .	<b>6</b>	
<b>2</b> Purchases . . . . .	<b>2</b>		<b>7</b> Cost of goods sold Subtract line		
<b>3</b> Cost of labor . . . . .	<b>3</b>		6 from line 5 Enter here and in		
<b>4 a</b> Additional section 263A costs (attach schedule) . . . . .	<b>4a</b>		Part I, line 2, . . . . .	<b>7</b>	
<b>b</b> Other costs (attach schedule) . . . . .	<b>4b</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? . . . . .	Yes	No
<b>5</b> Total. Add lines 1 through 4b . . . . .	<b>5</b>				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 taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here** ▶ *Robert J. Sen* 10/8/09 ▶ CFO  
Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer's Use Only**

Preparer's signature ▶ *Mart. Preib CMA* Date 10/8/09  
Firm's name (or yours if self-employed), address, and ZIP code ▶ RSM MCGLADREY INC. 1185 AVENUE OF THE AMERICAS NEW YORK, NY 10036  
EIN 41-1944416  
Phone no 212 372 1000  
Preparer's SSN or PTIN P00029738  
Check if self-employed

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(See instructions on page 19)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> . . . . . ▶		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(See instructions on page 19)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> . . . . . ▶		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

**Schedule J - Advertising Income** (See instructions on page 19)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)). . . . . ▶						

**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.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>						
<b>Totals, Part II</b> (lines 1-5). . . ▶	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B).				Enter here and on page 1, Part II, line 27

**Schedule K - Compensation of Officers, Directors, and Trustees** (See instructions on page 20.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
			%
			%
			%
			%
<b>Total.</b> Enter here and on page 1, Part II, line 1 . . . . . ▶			

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**

(See instructions on page 17 )

**1 Description of property**

(1)
(2)
(3)
(4)

**2 Rent received or accrued**

(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)	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
<b>Total</b>	<b>Total</b>	

**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) . . . . . ▶

**Schedule E - Unrelated Debt-Financed Income (See instructions on page 17 )**

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> . . . . . ▶			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)

**Total dividends-received deductions** included in column 8 . . . . . ▶

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 18.)**

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		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	6 Deductions directly connected with income in column (5)
(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)				

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)

**Totals** . . . . . ▶

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 IN NEW YORK.

CARNEGIE GENERATES UNRELATED BUSINESS TAXABLE INCOME ("UBTI") FROM INVESTMENTS IN LEVERAGED LIMITED PARTNERSHIPS.

FORM 990T - PART II - LINE 18 - INTEREST  
=====

INVESTMENT INTEREST EXP FROM LIMITED PARTNERSHIPS  
SEE STATEMENT 7

221,006.

PART II - LINE 18 - INTEREST

-----  
221,006.  
=====





Federal

Ordinary Business Income (Loss)

Alpine Investors II, LP	200,764
Acadia Mervyn Investors I, LLC	93,672
Acadia Mervyn Investors II, LLC	66,439
ASP III Alternative Investments, LP	(591,465)
Avanti Strategic Land Investors III (Active) LP	(8,454)
Avanti Strategic Land Investors IV (Active) LP	259,495
Baupost Value Partners, LP	56,776
CP Investment Fund, LP	751,395
GTCR Fund VIII, LP	8,050
Lime Rock Partners II, LP	(95,482)
Lime Rock Partners III, LP	(3,133)
LR2 AIV, LP	189,333
Madison Dearborn Capital Partners II, LP	(4,413)
Madison Dearborn Capital Partners III, LP	(3,346)
Madison Dearborn Capital Partners IV, LP	25,592
OCM Real Estate Opportunities Fund B, LP	20,690
The Varde Fund, LP	8,354
Veststar Capital Partners IV, LP	(20,947)
Watershed Capital Institutional Partners, LP	(2,168)
	<u>951,152</u>

Sub-total Ordinary Income to Statement 2 951,152

Net Rental Real Estate Income (Loss)

Acadia Mervyn Investors I, LLC	55,125
Acadia Mervyn Investors II, LLC	39,098
Baupost Value Partners, LP	(76,203)
Brookdale Investors Two, LP	(18,295)
Brookdale Investors Three, LP	(8,616)
Brookdale Investors Five, LP	(29,211)
CMD Realty Investment Fund III, LP	(187,229)
CMD Realty Investment Fund IV, LP	(85,859)
Douglas Emmett Realty Fund 1996	227,998
Douglas Emmett Realty Fund 1997	77,627
Douglas Emmett Realty Fund 1998	238,695
Madison Dearborn Capital Partners IV, LP	496
Shorenstein Realty Investors Three, LP	90,993
Shorenstein Realty Investors Four, LP	112,104
The Varde Fund, LP	7,169
Watershed Capital Institutional Partners, LP	(752)
	<u>443,140</u>

Other Net Rental Income (Loss)

Madison Dearborn Capital Partners IV, LP	<u>85</u>
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Sub-total Rental Income to Statement 2 443,225

Interest and Dividends

Alpine Investors II, LP	189,664
Baupost Value Partners, LP	23,787
Brookdale Investors Five, LP	10,866
CMD Realty Investment Fund III, LP	16,094
CMD Realty Investment Fund IV, LP	9,507
Fir Tree Institutional Value Fund, LP	2,780
GTCR Fund VII, LP	6,457
Madison Dearborn Capital Partners IV, LP	8,891
Roark Capital Partners, LP	553
Watershed Capital Institutional Partners, LP	1,714
	<u>270,313</u>

Sub-total Interest & Dividends to Statement 2 270,313

Guaranteed payments

CMD Realty Investment Fund III, LP	167,957
CMD Realty Investment Fund IV, LP	219,632
	<u>387,589</u>

Other Income

Steel Partners Japan Strategic Fund, LP	<u>22,552</u>
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Section 179 Deduction

Alpine Investors II, LP	<u>(434)</u>
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Sub-total Other Income to Statement 2 409,707

STATE AND LOCAL INCOME TAXES

Arizona	15,000
California	228,000
District of Columbia	35,100
Georgia	13,000
Illinois	3,700
Indiana	3,400
Louisiana	3,700
Minnesota	600
Missouri	300
Montana	100
New Mexico	50
New York	9,955
Oregon	1,400
	<u>314,305</u>

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 35 (Organizations Taxable as Corporations), 36 (Trusts Taxable at Trust Rates), 37 (Proxy tax), 38 (Alternative minimum tax), and 39 (Total).

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 40a-e (Credits), 41-43 (Taxes), 44a-f (Payments), 45 (Total payments), 46 (Estimated tax penalty), 47 (Tax due), 48 (Overpayment), and 49 (Enter the amount of line 48 you want).

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 16)

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 1, 2, and 3 regarding foreign accounts, foreign trusts, and tax-exempt interest.

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

Table with 3 columns: Line number, Description, and Amount. Includes lines 1-7 for inventory and cost of goods sold, and line 8 for section 263A costs.

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, Date, Title. Includes a box for 'May the IRS discuss this return with the preparer shown below (see instructions)?' with Yes/No options.

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (RSM MCGLADREY INC.), address (1185 AVENUE OF THE AMERICAS), EIN (41-1944416), and Phone no.

CARNEGIE CORPORATION OF NEW YORK  
EIN 13-1628151  
FOR THE YEAR ENDED 09/30/2006

REASON FOR AMENDED 2005 TAX RETURN

THE FORM 990-T IS BEING AMENDED DUE TO A DELINQUENT FORM 926 FILING AND THAT NO NUMBERS OR DISCLOSURES IN THE TAX RETURN AS ORIGINALLY FILED HAVE CHANGED.

AMENDED FORM 926 PARTNERSHIP: BAUPOST VALUE PARTNERS LP - I

**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
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 clearing expenses . . . . .	27a					
b Line 27a multiplied by applicable percentage (see instructions) . . . . .	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 36. 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	

**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.

Name(s) shown on return  CARNEGIE CORPORATION OF NEW YORK	Identifying number  13-1628151
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**1** Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . . **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)
See Statement 7						4,247,750

3 Gain, if any, from Form 4684, line 42 . . . . .	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 . . . . .	7	4,247,750

**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

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 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 34 and 41a . . . . .	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		
<b>a</b> If the loss on line 11 includes a loss from Form 4684, line 38, 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 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22 Identify as from "Form 4797, line 18a" See instructions . . . . .	18a	
<b>b</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 . . . . .	18b	

**SCHEDULE D  
(Form 1120)**

Department of the Treasury  
Internal Revenue Service

Name

**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,  
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,  
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

**2005**

Employer identification number

CARNEGIE CORPORATION OF NEW YORK

13-1628151

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
<b>1</b>					
SEE STATEMENT 5					22,624.
<b>2</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37					<b>2</b>
<b>3</b> Short-term gain or (loss) from like-kind exchanges from Form 8824					<b>3</b>
<b>4</b> Unused capital loss carryover (attach computation)					<b>4</b> ( )
<b>5</b> Net short-term capital gain or (loss) Combine lines 1 through 4					<b>5</b> 22,624.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

<b>6</b>					
SEE STATEMENT 6					81,844.
<b>7</b> Enter gain from Form 4797, line 7 or 9					<b>7</b> 4,247,750.
<b>8</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37					<b>8</b>
<b>9</b> Long-term gain or (loss) from like-kind exchanges from Form 8824					<b>9</b>
<b>10</b> Capital gain distributions (see instructions)					<b>10</b>
<b>11</b> Net long-term capital gain or (loss) Combine lines 6 through 10					<b>11</b> 4,329,594.

**Part III Summary of Parts I and II**

<b>12</b> Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)					<b>12</b> 22,624.
<b>13</b> Net capital gain Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)					<b>13</b> 4,329,594.
<b>14</b> Add lines 12 and 13 Enter here and on Form 1120, page 1, line 8, or the proper line on other returns					<b>14</b> 4,352,218.

Note: If losses exceed gains, see **Capital losses** on page 2

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted

**Purpose of Schedule**

Use Schedule D to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets

Generally report every sale or exchange of a capital asset (including like-kind exchanges) on this schedule even if there is no gain or loss

Note: For more information, see Pub 544, Sales and Other Dispositions of Assets

**Other Forms the Corporation May Have To File**

Use Form 4797, Sales of Business Property, to report the following

- The sale or exchange of
  - 1 Property used in a trade or business,
  - 2 Depreciable and amortizable property,
  - 3 Oil, gas, geothermal, or other mineral property, and
  - 4 Section 126 property
- The involuntary conversion (other than from casualty or theft) of property and capital assets held for business or profit
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the

ordinary course of the corporation's trade or business.

- The section 291 adjustment to section 1250 property

Use Form 4684, Casualties and Thefts, to report involuntary conversions of property due to casualty or theft

Use Form 6781, Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles

Use Form 8824, Like-Kind Exchanges, if the corporation made one or more "like-kind" exchanges A like-kind exchange occurs when the corporation exchanges business or investment property for property of a like kind For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 3 or line 9

Federal

Net Short-Term Capital Gain (Loss)

Baupost Value Partners, LP 22,712  
 Watershed Capital Institutional Partners, LP (88)

Sub-total to Statement 5 22,624

Net Long-Term Capital Gain (Loss)

Baupost Value Partners, LP 23  
 Fir Tree Institutional Value Fund, LP 959  
 Madison Dearborn Capital Partners IV, LP 36,472  
 Vestar Capital Partners IV, LP 42,485  
 Watershed Capital Institutional Partners, LP 1,905

81,844

Sub-total to Statement 6 81,844

Net Section 1231 Gain (Loss)

Acadia Mervyn Investors I, LLC 559,479  
 Acadia Mervyn Investors II, LLC 396,821  
 ASP III Alternative Investments, LP 651,360  
 Baupost Value Partners, LP 450,110  
 Brookdale Investors Two, LP 203,411  
 Brookdale Investors Three, LP 289,854  
 CMD Realty Investment Fund III, LP 199,012  
 CMD Realty Investment Fund IV, LP 652,562  
 Madison Dearborn Capital Partners IV, LP (3)  
 Shorenstein Realty Investors Four, LP 834,201  
 Watershed Capital Institutional Partners, LP 10,943

4,247,750

Sub-total to Form 4797 4,247,750

**Total Income**

Investment Interest Expense

Alpine Investors II, LP (31,802)  
 Avanti Strategic Land Investors III (Active) LP (136,581)  
 Avanti Strategic Land Investors IV (Active) LP (45,083)  
 Baupost Value Partners, LP (3,380)  
 Roark Capital Partners, LP (553)  
 Steel Partners Japan Strategic Fund, LP (27)  
 Watershed Capital Institutional Partners, LP (3,580)

Sub-total to Statement 3 (221,006) (221,006)

Other Expenses

Alpine Investors II, LP  
 Acadia Mervyn Investors I, LLC  
 Acadia Mervyn Investors II, LLC (286)  
 ASP III Alternative Investments, LP (714)  
 Avanti Strategic Land Investors III (Active) LP (507)  
 (440)

(1,947)

Sub-total to Statement 4 (1,947)

Foreign Tax Expense thru partnerships-to Stmt 4 (3,117)

Tax Preparation Fees to Statement 4 (58,500)

State Taxes Paid - See Statement 8 (314,305)

Charitable Contribution (10% of Income before special deduction) to Form 990-T, Page 1, Line 20 (582,774)

Specific Deduction (1,000)

**Total Expenses**

**Net Unrelated Business Income**

Less: Net Operating Loss Deduction

Less Net Capital Loss Deduction

**Net Unrelated Business Income**





FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS  
=====

OTHER DEDUCTIONS FROM LIMITED PARTNERSHIPS	1,947.
FOREIGN TAX EXPENSES	3,117.
TAX PREPARATION FEES	58,500.
	-----
PART II - LINE 28 - OTHER DEDUCTIONS	63,564.
	=====

FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS

ORDINARY INCOME FROM LIMITED PARTNERSHIPS	951,152.
RENTAL INCOME FROM LIMITED PARTNERSHIPS	443,225.
PORTFOLIO INCOME FROM LIMITED PARTNERSHIPS	270,313.
OTHER INCOME FROM LIMITED PARTNERSHIPS	409,707.
SEE ATTACHED STATEMENT 7 FOR ADDITIONAL DETAIL	
INCOME (LOSS) FROM PARTNERSHIPS	2,074,397.

-----  
 2,074,397.  
 =====