

Return of Organization Exempt From Income Tax

2009

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.

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC. Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 235 EAST 11TH STREET City or town, state or country, and ZIP + 4 NEW YORK, NY 10003-7305	D Employer identification number 13-5596825
		F Name and address of principal officer: LEE KOONCE SAME AS C ABOVE	E Telephone number (212) 777-3240
		I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	G Gross receipts \$ 6,577,605.
		J Website: WWW.THIRDSTREETMUSICSSCHOOL.ORG	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation: 1903 M State of legal domicile: NY

Part I Summary																																																																	
		1 Briefly describe the organization's mission or most significant activities: TO PROVIDE QUALITY MUSIC & ARTS INSTRUCTION REGARDLESS OF ARTISTIC ABILITY OR ECONOMIC CIRCUMSTANCES																																																															
		2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.																																																															
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	3 21																																																														
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 21																																																														
	5	Total number of employees (Part V, line 2a)	5 192																																																														
	6	Total number of volunteers (estimate if necessary)	6 80																																																														
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 0.																																																														
	b	Net unrelated business taxable income from Form 990-T, line 34	7b 0.																																																														
	Revenue			<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">1,689,639.</td> <td style="text-align: right;">1,582,746.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">3,419,996.</td> <td style="text-align: right;">3,568,212.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">-1,281,513.</td> <td style="text-align: right;">238,302.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">9,788.</td> <td style="text-align: right;">32,018.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">3,837,910.</td> <td style="text-align: right;">5,421,278.</td> </tr> <tr> <td rowspan="6" style="writing-mode: vertical-rl; transform: rotate(180deg);">Expenses</td> <td></td> <td></td> <td style="text-align: center;"> <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td>13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)</td> <td style="text-align: right;">531,018.</td> <td style="text-align: right;">563,603.</td> </tr> <tr> <td>14 Benefits paid to or for members (Part IX, column (A), line 4)</td> <td></td> <td></td> </tr> <tr> <td>15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)</td> <td style="text-align: right;">3,828,131.</td> <td style="text-align: right;">3,890,315.</td> </tr> <tr> <td>16a Professional fundraising fees (Part IX, column (A), line 11e)</td> <td style="text-align: right;">57,500.</td> <td style="text-align: right;">42,500.</td> </tr> <tr> <td>b Total fundraising expenses (Part IX, column (D), line 25) ▶ 509,050.</td> <td></td> <td></td> </tr> <tr> <td>17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)</td> <td style="text-align: right;">912,116.</td> <td style="text-align: right;">955,649.</td> </tr> <tr> <td>18 Total expenses. 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Part II Signature Block				
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.				
Sign Here	Signature of officer LEE KOONCE, EXECUTIVE DIRECTOR Type or print name and title	Date		
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 LUTZ AND CARR, CPAS LLP 300 EAST 42ND STREET NEW YORK, NY 10017	EIN ▶	Phone no. ▶ 212-697-2299	

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: **SEE SCHEDULE O FOR CONTINUATION TO PROVIDE QUALITY MUSIC AND ARTS INSTRUCTION IN AN ENVIRONMENT THAT NURTURES ACHIEVEMENT AND CREATIVITY AND OFFERS TO ALL, REGARDLESS OF ARTISTIC ABILITY OR ECONOMIC CIRCUMSTANCES, THE OPPORTUNITY TO ENRICH THE QUALITY OF THEIR LIVES. (SEE SCHEDULE O FOR FULL MISSION STATEMENT)**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.
SEE SCHEDULE O FOR CONTINUATION(S)

4a (Code:) (Expenses \$ **3,502,338.** including grants of \$ **563,603.**) (Revenue \$ **3,130,511.**)
INSTRUCTION: AS THE NATION'S OLDEST COMMUNITY SCHOOL OF MUSIC, THIRD STREET PROVIDES HIGH QUALITY MUSIC, DANCE AND VISUAL ARTS INSTRUCTION TO STUDENTS OF ALL AGES, LEVELS AND BACKGROUNDS. THE SCHOOL'S MOST ROBUST PROGRAMS SERVE CHILDREN IN GRADES K-12 WITH WEEKLY AFTER-SCHOOL /SATURDAY INSTRUCTION IN MOST INSTRUMENTS AND VOICE; MUSIC THEORY AND COMPOSITION; PERFORMANCE TRAINING AND ENSEMBLE ACTIVITIES; DANCE; AND THE VISUAL ARTS. EARLY CHILDHOOD PROGRAMS INCLUDE A LICENSED PRESCHOOL AND CLASSES IN MUSIC AND MOVEMENT. ADULT PROGRAMS OFFER FLEXIBLE MUSIC LESSONS, FREE DAYTIME ACCESS TO PRACTICE STUDIOS, TAP AND MOVEMENT CLASSES AND ENSEMBLE/PERFORMANCE ACTIVITIES INCLUDING NEW HORIZONS BANDS AND CHORUS FOR OLDER ADULTS. (SEE SCHEDULE O FOR FULL DESCRIPTION)

4b (Code:) (Expenses \$ **887,682.** including grants of \$) (Revenue \$ **437,701.**)
SCHOOL & COMMUNITY PARTNERSHIPS: THIRD STREET FIRST PROVIDED MUSIC INSTRUCTION IN LOCAL PUBLIC SCHOOLS IN THE LATE 1950S. THEN, IN 1980, IN RESPONSE TO NEW YORK CITY'S FISCAL CRISIS, THE CURRENT PROGRAM, KNOWN AS MILES (MUSIC INSTRUCTION ON THE LOWER EAST SIDE), WAS CREATED. IN ITS 30TH YEAR, SCHOOL PARTNERSHIPS PROVIDED QUALITY MUSIC AND MOVEMENT INSTRUCTION TO 3,324 STUDENTS (PRE-K-12) AT 26 SCHOOLS AND COMMUNITY CENTERS IN LOW- TO MODERATE-INCOME NEIGHBORHOODS, INCLUDING FEDERALLY DESIGNATED POVERTY AREAS. STUDENTS RECEIVED ONE OR MORE SESSIONS OF WEEKLY INSTRUCTION IN SCHOOL OR AT THIRD STREET. IN ADDITION, 496 STUDENTS FROM PARTNERING SCHOOLS ENROLLED AT THIRD STREET FOR WEEKLY AFTER-SCHOOL/SATURDAY CLASSES IN MUSIC, DANCE AND VISUAL ARTS AT LITTLE OR NO COST. (SEE SCHEDULE O FOR FULL DESCRIPTION.)

4c (Code:) (Expenses \$ **110,269.** including grants of \$) (Revenue \$)
PERFORMANCE: PERFORMANCE IS AT THE HEART OF THIRD STREET'S APPROACH TO MUSIC EDUCATION WITH MORE THAN 200 FREE-TO-THE-PUBLIC PERFORMANCES BY STUDENTS, FACULTY AND GUEST ARTISTS HELD EACH YEAR IN THE SCHOOL'S 300-PERSON-CAPACITY AUDITORIUM AND OTHER VENUES AROUND THE CITY. THIRD STREET'S BEST-KNOWN COMMUNITY CONCERTS INCLUDE: THE ARTIST PERFORMANCE SERIES OF FRIDAY EVENING CONCERTS GIVEN BY THIRD STREET FACULTY AND THEIR GUESTS; AND MUSIC IN ABE LEBEWOHL PARK, AN OUTDOOR SUMMER SERIES PRESENTING AN ECLECTIC MIX OF RENOWNED ARTISTS AND ENSEMBLES THAT REFLECT THE CULTURAL DIVERSITY OF THIRD STREET'S EAST VILLAGE NEIGHBORHOOD. OTHER RECITAL VENUES INCLUDE HISTORIC ST. MARK'S CHURCH-IN-THE-BOWERY AND STEINWAY HALL. (SEE SCHEDULE O FOR FULL DESCRIPTION)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e **Total program service expenses** ▶ \$ **4,500,289.**

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	Yes No X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>	X	
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	23		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	192		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	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)?		X
4b	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.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	X	
15b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **▶ NY**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶
STEVE ARONSON - 212-777-3240
235 EAST 11TH STREET, NEW YORK, NY 10003

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
BYRON BELL BOARD MEMBER	1.00	X					0.	0.	0.	
TERESA LONGYEAR BULL BOARD MEMBER	1.00	X					0.	0.	0.	
ROBERT M. CARR BOARD MEMBER	1.00	X					0.	0.	0.	
LAURA CHANG TREASURER	1.00	X					0.	0.	0.	
GERALD D. COHEN BOARD MEMBER	1.00	X					0.	0.	0.	
FRED M. FILOON BOARD MEMBER	1.00	X					0.	0.	0.	
NICHOLAS L.D. FIRTH VICE CHAIR	1.00	X					0.	0.	0.	
PETER FLINT, JR. BOARD MEMBER	1.00	X					0.	0.	0.	
TERRY A. HUENEKE BOARD MEMBER	1.00	X					0.	0.	0.	
DAVID M. HUGGIN CHAIR	1.00	X					0.	0.	0.	
MRS. STEPHEN M. KELLEN CHAIRMAN EMERITUS	1.00	X					0.	0.	0.	
RONI KOHEN-LEMLE BOARD MEMBER	1.00	X					0.	0.	0.	
YUKIKO KUBO-GATHERAL BOARD MEMBER	1.00	X					0.	0.	0.	
ERIK D. LINDAUER SECRETARY	1.00	X					0.	0.	0.	
W. CURTIS LIVINGSTON BOARD MEMBER	1.00	X					0.	0.	0.	
JOAN C. LONG BOARD MEMBER	1.00	X					0.	0.	0.	
JEANNIE PARK BOARD MEMBER	1.00	X					0.	0.	0.	

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
VINCENT C. PERRO BOARD MEMBER	1.00	X					0.	0.	0.	
STOWE C. PHELPS CHAIRMAN EMERITUS	1.00	X					0.	0.	0.	
PONCHITTA PIERCE BOARD MEMBER	1.00	X					0.	0.	0.	
HAROLD PRINCE BOARD MEMBER	1.00	X					0.	0.	0.	
STELLA SICHEL BOARD MEMBER	1.00	X					0.	0.	0.	
ELLSWORTH G. STANTON III PRESIDENT EMERITUS	1.00	X					0.	0.	0.	
LEE KOONCE EXECUTIVE DIRECTOR	40.00			X			170,733.	0.	6,226.	
STEVE ARONSON CHEIF FIN OFFICER	40.00			X			96,087.	0.	8,879.	
KERRY GREENE DIR DEV & COMMUNIC	40.00				X		134,344.	0.	10,374.	
MARY LOU FRANCIS ASSOCIATE DIRECTOR	40.00				X		119,630.	0.	82,550.	
1b Total							639,736.	0.	117,538.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **4**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

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Part VIII Statement of Revenue			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	292,302.				
	d Related organizations	1d					
	e Government grants (contributions)	1e	219,309.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,071,135.				
	g Noncash contributions included in lines 1a-1f: \$		50,308.				
	h Total. Add lines 1a-1f		1,582,746.				
	Program Service Revenue	2 a TUITION & REGISTRATION	Business Code 611600	3,130,511.	3,130,511.		
b SCHOOL PARTNERSHIPS		611600	437,701.	437,701.			
c							
d							
e							
f All other program service revenue							
g Total. Add lines 2a-2f			3,568,212.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		223,170.			223,170.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real					
		(ii) Personal					
		b Less: rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
	d Net gain or (loss)			15,132.		15,132.	
	8 a Gross income from fundraising events (not including \$ 292,302. of contributions reported on line 1c). See Part IV, line 18	a		31,754.			
		b Less: direct expenses		31,754.			
c Net income or (loss) from fundraising events			0.				
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses						
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a MISCELLANEOUS	900099	32,018.			32,018.		
b							
c							
d All other revenue							
e Total. Add lines 11a-11d		32,018.					
12 Total revenue. See instructions.		5,421,278.	3,568,212.	0.	270,320.		

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Part IX Statement of Functional Expenses

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.				
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	563,603.	563,603.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	292,393.	100,450.	136,000.	55,943.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,997,016.	2,622,862.	115,253.	258,901.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	119,406.	95,525.	11,941.	11,940.
9 Other employee benefits	195,959.	184,597.	3,690.	7,672.
10 Payroll taxes	285,541.	228,433.	28,554.	28,554.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	30,098.		30,098.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17	42,500.			42,500.
f Investment management fees	35,041.		35,041.	
g Other	133,597.	102,494.	24,000.	7,103.
12 Advertising and promotion				
13 Office expenses	99,160.	73,381.	7,056.	18,723.
14 Information technology				
15 Royalties				
16 Occupancy	126,902.	104,244.	11,937.	10,721.
17 Travel	3,842.	3,231.	302.	309.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	145,590.	119,512.	13,738.	12,340.
23 Insurance	66,235.	54,370.	6,251.	5,614.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a SECURITY AND CUSTODIAL	64,268.	52,757.	6,064.	5,447.
b REPAIRS AND MAINTENANCE	48,278.	39,630.	4,556.	4,092.
c OTHER NON-PERSONNEL EXP	47,484.	36,412.	3,671.	7,401.
d INSTRUMENTS, TUNING & R	42,690.	42,690.		
e BANK CHARGES AND CREDIT	40,218.	33,013.	3,796.	3,409.
f All other expenses	72,246.	43,085.	780.	28,381.
25 Total functional expenses. Add lines 1 through 24f	5,452,067.	4,500,289.	442,728.	509,050.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Form 990 (2009)

13-5596825 Page 11

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	69,470.	1	156,005.	
	2 Savings and temporary cash investments	628,841.	2	360,963.	
	3 Pledges and grants receivable, net	78,395.	3	54,700.	
	4 Accounts receivable, net	1,112,211.	4	1,038,060.	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6	
	7 Notes and loans receivable, net			7	
	8 Inventories for sale or use			8	
	9 Prepaid expenses and deferred charges	49,450.	9		63,411.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	3,268,476.			
	b Less: accumulated depreciation	2,613,685.			
	11 Investments - publicly traded securities	6,818,778.	10c	11	9,134,388.
	12 Investments - other securities. See Part IV, line 11	1,046,614.	12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)	10,483,380.	16		11,462,318.	
Liabilities	17 Accounts payable and accrued expenses	108,947.	17	225,667.	
	18 Grants payable		18		
	19 Deferred revenue	1,758,398.	19	1,665,571.	
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities. Complete Part X of Schedule D	333,333.	25		406,000.
	26 Total liabilities. Add lines 17 through 25	2,200,678.	26		2,297,238.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	3,868,325.	27	4,505,510.	
	28 Temporarily restricted net assets	169,097.	28	333,532.	
	29 Permanently restricted net assets	4,245,280.	29	4,326,038.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
	33 Total net assets or fund balances	8,282,702.	33		9,165,080.
34 Total liabilities and net assets/fund balances	10,483,380.	34		11,462,318.	

Form 990 (2009)

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Form 990 (2009)

13-5596825 Page **12**

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	X	X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O. d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form **990** (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.**

Employer identification number
13-5596825

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2009

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Employer identification number
13-5596825

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,927,190.	3,803,568.			
b Contributions	78,258.	639,399.			
c Net investment earnings, gains, and losses	545,279.	-515,777.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	299,926.				
g End of year balance	4,250,801.	3,927,190.			

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment 93.51 %
 - c Term endowment 6.49 %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------------------------|-------------------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | <input type="checkbox"/> | <input type="checkbox"/> |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		169,495.		169,495.
b Buildings		747,179.	747,179.	0.
c Leasehold improvements		1,868,997.	1,659,090.	209,907.
d Equipment		70,648.	39,785.	30,863.
e Other		412,157.	167,631.	244,526.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				654,791.

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	5,421,278.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,452,067.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-30,789.
4	Net unrealized gains (losses) on investments	4	913,167.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	913,167.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	882,378.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	5,735,801.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	913,167.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	913,167.
3	Subtract line 2e from line 1	3	4,822,634.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	598,644.
c	Add lines 4a and 4b	4c	598,644.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	5,421,278.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,853,423.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	4,853,423.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	598,644.
c	Add lines 4a and 4b	4c	598,644.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	5,452,067.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4: THE EARNINGS ON THE ENDOWMENT FUNDS ARE RESTRICTED

FOR: 1- SCHOLARSHIP/ FINANCIAL AID; 2- FACULTY DEVELOPMENT; 3- GENERAL PURPOSES INCLUDING PROGRAM SUPPORT; AND 4- BARBARA FIELD CHAMBER MUSIC FUND.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

SCHOLARSHIPS & TUITION ASSISTANCE NETTED AGAINST INCOME: 563603.

INVESTMENT MANAGEMENT FEES NETTED AGAINST INCOME: 35041.

Part XIV Supplemental Information (continued)

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

SCHOLARSHIPS & TUITION ASSISTANCE NETTED AGAINST INCOME: 563603.

INVESTMENT MANAGEMENT FEES NETTED AGAINST INCOME: 35041.

SCHEDULE E
(Form 990 or 990-EZ)

Schools

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**

▶ **Attach to Form 990 or Form 990-EZ.**

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.**

Employer identification number
13-5596825

- 1** Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?
- 2** Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?
- 3** Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Schedule O (Form 990)

	YES	NO
1	X	
2	X	
3	X	

PUBLISHED IN NEWSPAPERS, WEBSITE AND COURSE CATALOG.

- 4** Does the organization maintain the following?
- a** Records indicating the racial composition of the student body, faculty, and administrative staff?
- b** Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
- c** Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
- d** Copies of all material used by the organization or on its behalf to solicit contributions?
- If you answered "No" to any of the above, please explain. If you need more space, use Schedule O (Form 990).

4a	X	
4b	X	
4c	X	
4d	X	

- 5** Does the organization discriminate by race in any way with respect to:
- a** Students' rights or privileges?
- b** Admissions policies?
- c** Employment of faculty or administrative staff?
- d** Scholarships or other financial assistance?
- e** Educational policies?
- f** Use of facilities?
- g** Athletic programs?
- h** Other extracurricular activities?
- If you answered "Yes" to any of the above, please explain. If you need more space, use Schedule O (Form 990).

5a		X
5b		X
5c		X
5d		X
5e		X
5f		X
5g		X
5h		X

- 6a** Does the organization receive any financial aid or assistance from a governmental agency?
- b** Has the organization's right to such aid ever been revoked or suspended?
- If you answered "Yes" to either line 6a or line 6b, explain on Schedule O (Form 990).

6a	X	
6b		X

- 7** Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Schedule O (Form 990).

7	X	
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LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Schedule E (Form 990 or 990-EZ) 2009

SEE SCHEDULE O FOR LINE 6 STATEMENT

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

OMB No. 1545-0047

2009

**Open To Public
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.** Employer identification number
13-5596825

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? **Yes** **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
SUSAN BELL SPECIAL EVENTS	EVENT PLANNING SERVICES	X		324,056.	42,500.	281,556.
Total				324,056.	42,500.	281,556.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.
NY

SOCIETY OF THE THIRD STREET MUSIC SCHOOL

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		ANNIVERSARY LUNCHEON		NONE	
		(event type)	(event type)	(total number)	
Revenue	1	Gross receipts	324,056.		324,056.
	2	Less: Charitable contributions	292,302.		292,302.
	3	Gross income (line 1 minus line 2)	31,754.		31,754.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	4,839.		4,839.
	7	Food and beverages	26,915.		26,915.
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary. Add lines 4 through 9 in column (d)			(31,754)
	11	Net income summary. Combine line 3, column (d), and line 10			0.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1	Gross revenue		
Direct Expenses	2	Cash prizes			
	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				()
8	Net gaming income summary. Combine line 1, column (d), and line 7				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," explain: _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," explain: _____		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

13 Indicate the percentage of gaming activity operated in:

- | | | |
|--|------------|---------|
| a The organization's facility | 13a | _____ % |
| b An outside facility | 13b | _____ % |

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____ .
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer Employee Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

	Yes	No
13a		
13b		
14		
15a		
15b		
15c		
16		
17a		
17b		

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Employer identification number
13-5596825

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ...

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

- 2** Enter total number of section 501(c)(3) and government organizations
- 3** Enter total number of other organizations

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2009

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
SCHOLARSHIPS, TUITION ASSISTANCE	744	563,603.	0.	FMV	TUITION REDUCTIONS

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: GRANT FUNDS ARE ENTIRELY NON CASH REDUCTIONS IN
 TUITION VIA SCHOLARSHIPS, TUITION ASSISTANCE AND INCENTIVE AWARDS. THEIR
 USE IS ENTIRELY CONTROLLED BY THE SCHOOL AND RECORDED VIA THE ACCOUNTS
 RECEIVABLE SYSTEM.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.** Employer identification number **13-5596825**

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" to line 5a or 5b, describe in Part III.		
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" to line 6a or 6b, describe in Part III.		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

**SOCIETY OF THE THIRD STREET MUSIC SCHOOL
SETTLEMENT, INC.**

Schedule J (Form 990) 2009

13-5596825

Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
LEE KOONCE	(i)	170,733.	0.	0.	914.	5,312.	176,959.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
MARY LOU FRANCIS	(i)	119,630.	0.	0.	77,238.	5,312.	202,180.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**SCHEDULE M
(Form 990)**

Noncash Contributions

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

Name of the organization **SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.**

Employer identification number
13-5596825

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	6	50,308.	QUOTED MARKET VALUE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2009

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization	SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.	Employer identification number	13-5596825
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FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

WE, THE SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, BELIEVE THAT A KNOWLEDGE AND APPRECIATION OF MUSIC AND THE ARTS IS FUNDAMENTAL TO THE DEVELOPMENT OF EACH INDIVIDUAL AND THAT THE ARTS PROVIDE UNIQUE OPPORTUNITIES FOR CULTURAL EXCHANGE AND COMMUNITY UNDERSTANDING. THUS WE AFFIRM THAT:

IT IS THE MISSION OF THE SCHOOL TO PROVIDE QUALITY EDUCATION IN MUSIC AND THE ARTS, PRIMARILY TO CHILDREN OF THE LOWER EAST SIDE, IN AN ENVIRONMENT THAT NURTURES ACHIEVEMENT AND CREATIVITY AND OFFERS ALL WHO ATTEND, REGARDLESS OF ARTISTIC ABILITY OR ECONOMIC CIRCUMSTANCES, THE OPPORTUNITY TO PURSUE THEIR OWN PERSONAL DEVELOPMENT AND ENRICH THE QUALITY OF THEIR LIVES.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

INSTRUCTION: AS THE NATION'S OLDEST COMMUNITY SCHOOL OF MUSIC, THIRD STREET PROVIDES HIGH QUALITY MUSIC, DANCE AND VISUAL ARTS INSTRUCTION TO STUDENTS OF ALL AGES, LEVELS AND BACKGROUNDS. THE SCHOOL'S MOST ROBUST PROGRAMS SERVE CHILDREN IN GRADES K-12 WITH WEEKLY AFTER-SCHOOL /SATURDAY INSTRUCTION IN MOST INSTRUMENTS AND VOICE; MUSIC THEORY AND COMPOSITION; PERFORMANCE TRAINING AND ENSEMBLE ACTIVITIES; DANCE; AND THE VISUAL ARTS. EARLY CHILDHOOD PROGRAMS INCLUDE A LICENSED PRESCHOOL AND CLASSES IN MUSIC AND MOVEMENT. ADULT PROGRAMS OFFER FLEXIBLE MUSIC LESSONS, FREE DAYTIME ACCESS TO PRACTICE STUDIOS, TAP AND MOVEMENT CLASSES AND ENSEMBLE/PERFORMANCE ACTIVITIES INCLUDING NEW HORIZONS BANDS AND CHORUS FOR OLDER ADULTS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization	SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.	Employer identification number	13-5596825
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MAIN SCHOOL ENROLLMENT TOTALED 1,845, INCLUDING 496 STUDENTS FROM PARTNERING PUBLIC SCHOOLS WHO ENROLL IN FREE OR HEAVILY SUBSIDIZED AFTER-SCHOOL INSTRUCTION. THIRD STREET'S TOTAL STUDENT POPULATION, INCLUDING THOSE SERVED THROUGH SCHOOL & COMMUNITY PARTNERSHIPS, REFLECTS THE ETHNIC AND ECONOMIC DIVERSITY OF ITS COMMUNITY: 17% AFRICAN DESCENT; 19% ASIAN DESCENT; 30% EUROPEAN DESCENT; 28% LATINO DESCENT; 6% OTHER. MORE THAN 75% OF ALL STUDENTS SERVED RECEIVE SOME FORM OF NEED-BASED FINANCIAL AID OR SUBSIDIZED INSTRUCTION.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

SCHOOL & COMMUNITY PARTNERSHIPS: THIRD STREET FIRST PROVIDED INSTRUCTION IN LOCAL PUBLIC SCHOOLS IN THE LATE 1950S. THEN, IN 1980, IN RESPONSE TO NEW YORK CITY'S FISCAL CRISIS, THE CURRENT PROGRAM, KNOWN AS MILES (MUSIC INSTRUCTION ON THE LOWER EAST SIDE), WAS CREATED. IN ITS 30TH YEAR, SCHOOL PARTNERSHIPS PROVIDED QUALITY MUSIC AND MOVEMENT INSTRUCTION TO 3,324 STUDENTS (PRE-K-12) AT 26 SCHOOLS AND COMMUNITY CENTERS IN SURROUNDING LOW- TO MODERATE-INCOME NEIGHBORHOODS, INCLUDING FEDERALLY DESIGNATED POVERTY AREAS. STUDENTS RECEIVED ONE OR MORE SESSIONS OF WEEKLY INSTRUCTION IN SCHOOL OR AT THIRD STREET. IN ADDITION, 496 STUDENTS FROM PARTNERING SCHOOLS, THROUGH MILES@3RD, ENROLLED AT THIRD STREET FOR WEEKLY AFTER-SCHOOL/SATURDAY CLASSES IN MUSIC, DANCE AND VISUAL ARTS AT LITTLE OR NO COST.

THIRD STREET SUPPLEMENTS ARTS CURRICULA WITH SERVICES THAT MEET THE INDIVIDUAL NEEDS OF EACH SCHOOL PARTNER, TAILORING PROGRAMS TO VARIED

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization	SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.	Employer identification number	13-5596825
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CURRICULUM OBJECTIVES. SOME SCHOOLS AIM TO MAKE MUSIC AND ARTS INSTRUCTION AVAILABLE TO ALL STUDENTS AS PART OF THE SCHOOL DAY. OTHERS SELECT PROGRAMS SPECIFIC TO CERTAIN GRADE LEVELS, SUCH AS MUSIC AND MOVEMENT, THIRD STREET'S MOST POPULAR COURSE GEARED TOWARD PRE-K THROUGH EARLY ELEMENTARY GRADES, WHICH OFFERS STUDENTS A FOUNDATION IN MUSIC, LEARNING RHYTHM, PITCH AND BASIC THEORY THROUGH ACTIVITIES THAT INCLUDE THE USE OF ORFF INSTRUMENTS. SOME PARTNERSHIPS FOCUS ON INSTRUMENT STUDY SUCH AS GUITAR, VIOLIN, KEYBOARD OR CHORUS. AND A NUMBER OF PARTNERING SCHOOLS CONTRACT FOR ON-SITE AFTER-SCHOOL INSTRUCTION, DEPENDING ON AVAILABLE FUNDING AND EDUCATIONAL PRIORITIES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

PERFORMANCE: PERFORMANCE IS AT THE HEART OF THIRD STREET'S APPROACH TO MUSIC EDUCATION WITH MORE THAN 200 FREE-TO-THE-PUBLIC PERFORMANCES BY STUDENTS, FACULTY AND GUEST ARTISTS HELD EACH YEAR IN THE SCHOOL'S 300-PERSON-CAPACITY AUDITORIUM AND OTHER VENUES AROUND THE CITY. THIRD STREET'S BEST-KNOWN COMMUNITY CONCERTS INCLUDE: THE ARTIST PERFORMANCE SERIES OF FRIDAY EVENING CONCERTS GIVEN BY THIRD STREET FACULTY AND THEIR GUESTS; AND MUSIC IN ABE LEBEWOHL PARK, AN OUTDOOR SUMMER SERIES PRESENTING AN ECLECTIC MIX OF RENOWNED ARTISTS AND ENSEMBLES THAT REFLECT THE CULTURAL DIVERSITY OF THIRD STREET'S EAST VILLAGE NEIGHBORHOOD. OTHER RECITAL VENUES INCLUDE HISTORIC ST. MARK'S CHURCH-IN-THE-BOWERY AND STEINWAY HALL.

MORE THAN 90% OF THIRD STREET'S MUSIC STUDENTS PUBLICLY PERFORM AS PART

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization	SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.	Employer identification number	13-5596825
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OF THEIR TRAINING. THERE ARE A VARIETY OF SPECIAL CONCERTS AND RECITALS, SOME ARE DEPARTMENT-WIDE, LIKE "STRING STRAVAGANA" AND OTHERS ARE OPEN BY AUDITION LIKE THE "HOLIDAY MUSIC HOUR" AND THE "STOWE C. PHELPS ANNUAL STUDENT CONCERT." THERE ARE ALSO WEEKLY "MUSIC HOURS" ORGANIZED BY INSTRUMENT AS WELL AS A VARIETY OF REPERTOIRE ADVANCEMENT RECITALS, AND ANNUAL "STUDIO RECITALS" FOR STUDENTS OF EACH FACULTY MEMBER. STUDENT PERFORMANCES, RECITALS AND CONCERTS HELD IN THE SCHOOL'S ANNA-MARIA KELLEN AUDITORIUM AND OTHER SPECIAL VENUES ARE ALWAYS FREE AND OPEN TO THE PUBLIC.

THIRD STREET ANNOUNCES VARIOUS CONCERT SERIES AND SPECIAL GUEST ARTIST APPEARANCES AS WELL AS STUDENT PERFORMANCES IN WEEKLY E-NEWS AND BI-ANNUAL NEWSLETTERS AS WELL AS ON MONTHLY OUTDOOR POSTERS AND ON THE SCHOOL'S WEB SITE, WWW.THIRDSTREETMUSICSCHOOL.ORG, ALONG WITH SELECTED ADVERTISING AND PRINTED FLYERS.

FORM 990, PART VI, SECTION B, LINE 11: THE PREPARED FORM 990 IS REVIEWED BY THE ENTIRE BOARD OF DIRECTORS AND REQUIRES BOARD APPROVAL PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: DIRECTORS, OFFICERS AND KEY EMPLOYEES ARE REQUIRED TO DISCLOSE ANNUALLY ANY INTEREST IN ANY CORPORATION OR OTHER ORGANIZATION WHICH PROVIDES GOODS OR PROFESSIONAL OR OTHER SERVICES TO THE SCHOOL FOR A FEE OR OTHER COMPENSATION. CONFLICTS ARE DETERMINED AND ACTUAL CONFLICTS ARE REVIEWED AT THE LEVEL OF THE BOARD OF DIRECTORS. PERSONS WITH A CONFLICT MAY NOT DELIBERATE OR VOTE ON MATTERS IN

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization	SOCIETY OF THE THIRD STREET MUSIC SCHOOL SETTLEMENT, INC.	Employer identification number	13-5596825
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WHICH THEY HAVE AN INTEREST.

FORM 990, PART VI, SECTION B, LINE 15A: THE PROCESS INCLUDES ALL OF THESE ELEMENTS: 1. REVIEW AND APPROVAL BY THE BOARD OF DIRECTORS; 2. USE OF DATA AS TO COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS; AND 3. CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING. THE PROCESS IS USED TO ESTABLISH COMPENSATION FOR THE EXECUTIVE DIRECTOR WHO HAS BEEN DETERMINED TO BE THE ONLY KEY EMPLOYEE OF THE SCHOOL. NO OFFICERS OR DIRECTORS RECEIVED COMPENSATION. THE PROCESS WAS LAST UNDERTAKEN IN 2009.

FORM 990, PART VI, SECTION C, LINE 19: WWW.GUIDESTAR.ORG AND UPON REQUEST.

SCHEDULE E, LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

NYC DEPARTMENT OF CULTURAL AFFAIRS	159,615
NYC DEPT. OF YOUTH AND COMMUNITY DEVELOPMENT	6,000
NATIONAL ENDOWMENT FOR THE ARTS	25,000
NYS COUNCIL ON THE ARTS	28,694
	\$219,309

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	BUILDINGS											
1	BUILDING	VARIES	SSL	25.00	16	747,179.			747,179.	746,864.		315.
	* 990 PAGE 10 TOTAL BUILDINGS					747,179.		0.	747,179.	746,864.	0.	315.
	FURNITURE & FIXTURES											
2	FURNITURE AND EQUIPMENT	VARIES	SSL	8.00	16	70,648.			70,648.	27,693.		12,092.
	* 990 PAGE 10 TOTAL FURNITURE & FIXTUR					70,648.		0.	70,648.	27,693.	0.	12,092.
	MACHINERY & EQUIPMENT											
3	INSTRUMENTS	VARIES	SSL	15.00	16	312,157.			312,157.	145,572.		22,059.
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPM					312,157.		0.	312,157.	145,572.	0.	22,059.
	LAND											
5	LAND	VARIES	SL			169,495.			169,495.			0.
	* 990 PAGE 10 TOTAL LAND					169,495.		0.	169,495.	0.	0.	0.
	OTHER BUILDING IMPROVEMENTS/COURTY	VARIES	SSL	10.00	16	1868997.			1868997.	1547966.		111,124.
4	REGISTRATION											
6	SOFTWARE	VARIES	NC	.000		100,000.			100,000.			0.
	* 990 PAGE 10 TOTAL OTHER					1968997.		0.	1968997.	1547966.	0.	111,124.
	* GRAND TOTAL 990 PAGE 10 DEPR					3268476.		0.	3268476.	2468095.	0.	145,590.