

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2006**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning **1/1/2006**, 2006, and ending **12/31/2006**, 20

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

C Name of organization
MODEST NEEDS FOUNDATION
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
115 E 30th St FI 1
 City or town, state or country, and ZIP + 4
New York, NY 10016

D Employer identification number
47 0863430

E Telephone number
(212) 463-7042

F Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) ▶

G Website: ▶ **http://www.modestneeds.org**

J Organization type (check only one) ▶ ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **806651**

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

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

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Contributions to donor advised funds	1a		0
	b Direct public support (not included on line 1a)	1b		806,571
	c Indirect public support (not included on line 1a)	1c		0
	d Government contributions (grants) (not included on line 1a)	1d		0
	e Total (add lines 1a through 1d) (cash \$ 806,571 noncash \$ 0)	1e		806,571
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		0
	3 Membership dues and assessments	3		0
	4 Interest on savings and temporary cash investments	4		80
	5 Dividends and interest from securities	5		0
	6a Gross rents	6a		0
	b Less: rental expenses	6b		0
c Net rental income or (loss). Subtract line 6b from line 6a	6c		0	
7 Other investment income (describe ▶)	7		0	
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other
	b Less: cost or other basis and sales expenses	8a		0
	c Gain or (loss) (attach schedule)	8b		0
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8c		0
	9 Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>	8d		0
	a Gross revenue (not including \$ 0 of contributions reported on line 1b)	9a		0
	b Less: direct expenses other than fundraising expenses	9b		0
	c Net income or (loss) from special events. Subtract line 9b from line 9a	9c		0
	10a Gross sales of inventory, less returns and allowances	10a		0
	b Less: cost of goods sold	10b		0
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		0
	11 Other revenue (from Part VII, line 103)	11		0
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		806,651	
Expenses	13 Program services (from line 44, column (B))	13		746,832
	14 Management and general (from line 44, column (C))	14		35,256
	15 Fundraising (from line 44, column (D))	15		55,068
	16 Payments to affiliates (attach schedule)	16		0
	17 Total expenses. Add lines 16 and 44, column (A)	17		837,156
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		-30,505
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		145,612
	20 Other changes in net assets or fund balances (attach explanation)	20		0
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		115,107

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a 0	0		
22b	Other grants and allocations (attach schedule) (cash \$ <u>1,972</u> noncash \$ <u>811</u>) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22b 2,783	2,783		
23	Specific assistance to individuals (attach schedule) Stmt 2	23 399,180	399,180		
24	Benefits paid to or for members (attach schedule)	24 0	0		
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) Stmt 3	25a 80,400	69,619	5,044	5,737
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b 0	0	0	0
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c 0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	26 83,123	83,123	0	0
27	Pension plan contributions not included on lines 25a, b, and c	27 0	0	0	0
28	Employee benefits not included on lines 25a - 27	28 2,547	2,547	0	0
29	Payroll taxes	29 9,883	8,571	583	729
30	Professional fundraising fees	30 0	0	0	0
31	Accounting fees	31 4,084	0	4,084	0
32	Legal fees	32 0	0	0	0
33	Supplies	33 9,404	7,993	959	452
34	Telephone	34 8,716	7,559	514	643
35	Postage and shipping	35 2,271	1,945	109	217
36	Occupancy	36 32,440	28,132	1,914	2,394
37	Equipment rental and maintenance	37 12,290	12,290	0	0
38	Printing and publications	38 12,156	8,594	1,048	2,514
39	Travel	39 20,548	13,397	3,295	3,856
40	Conferences, conventions, and meetings	40 9,340	6,939	448	1,953
41	Interest	41 0	0	0	0
42	Depreciation, depletion, etc. (attach schedule)	42 17,554	17,554	0	0 Stmt 4
43	Other expenses not covered above (itemize): a See Statement 5	43a 130,437	76,606	17,258	36,573
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 837,156	746,832	35,256	55,068

Joint Costs. Check ☒ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;

(iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III	Statement of Program Service Accomplishments <i>(See the instructions.)</i>
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Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► Provide emergency financial assistance to individuals

Program Service Expenses

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

a See Statement 6

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

b

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

C

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services). ►

746,832

Part IV Balance Sheets (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing	102,940	45	44,013
	46 Savings and temporary cash investments	0	46	0
	47a Accounts receivable 47a 0			
	b Less: allowance for doubtful accounts 47b 0	0	47c	0
	48a Pledges receivable 48a 0			
	b Less: allowance for doubtful accounts 48b 0	0	48c	0
	49 Grants receivable	0	49	0
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)	0	50a	0
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0	50b	0
	51a Other notes and loans receivable (attach schedule) 51a 0			
	b Less: allowance for doubtful accounts 51b 0	0	51c	0
	52 Inventories for sale or use	0	52	0
	53 Prepaid expenses and deferred charges	0	53	0
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54a	0
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54b	0
	55a Investments—land, buildings, and equipment: basis 55a 67,533			
	b Less: accumulated depreciation (attach schedule) 55b 34,913 See Statement 7	26,709	55c	32,620
	56 Investments—other (attach schedule)	0	56	0
57a Land, buildings, and equipment: basis 57a 0				
b Less: accumulated depreciation (attach schedule) 57b 0	0	57c	0	
58 Other assets, including program-related investments (describe ► See Statement 8)	15,963	58	38,474	
59 Total assets (must equal line 74). Add lines 45 through 58	145,612	59	115,107	
Liabilities	60 Accounts payable and accrued expenses	0	60	0
	61 Grants payable	0	61	0
	62 Deferred revenue	0	62	0
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64a Tax-exempt bond liabilities (attach schedule)	0	64a	0
	b Mortgages and other notes payable (attach schedule)	0	64b	0
	65 Other liabilities (describe ►)	0	65	0
	66 Total liabilities. Add lines 60 through 65	0	66	0
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	145,612	67	115,107
	68 Temporarily restricted	0	68	0
	69 Permanently restricted	0	69	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	145,612	73	115,107
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	145,612	74	115,107

Part IV-A

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		837,156
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Part IV-B		Reconciliation of Expenses per Audited Financial Statements With Expenses per Return	
		a	

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

Part V-A	Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)	(B)	(C) Compensation	(D) Contributions to employee	(E) Expense account

[illegible]

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		<input checked="" type="checkbox"/>
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82b			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
83b			
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b			
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.	88a	<input checked="" type="checkbox"/>
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	<input checked="" type="checkbox"/>
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	0	
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	<input checked="" type="checkbox"/>
90a	List the states with which a copy of this return is filed AR,DE,NY,TN		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	3
91a	The books are in care of Modest Needs Foundation Telephone no. 212-463-7042 Located at 115 E 30th St FL1, New York, NY ZIP + 4 10016		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91b	<input checked="" type="checkbox"/>
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** ☐ Yes ☒ No
If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ **92**

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

Note: Enter gross amounts unless otherwise indicated.

		Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93	Program service revenue:					
a						
b						
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments					80
96	Dividends and interest from securities					
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property					
98	Net rental income or (loss) from personal property					
99	Other investment income					
100	Gain or (loss) from sales of assets other than inventory					
101	Net income or (loss) from special events					
102	Gross profit or (loss) from sales of inventory					
103	Other revenue: a					
b						
c						
d						
e						
104	Subtotal (add columns (B), (D), and (E))		0		0	80
105	Total (add line 104, columns (B), (D), and (E))					80

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 10

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

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

Yes	No

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

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

Yes	No

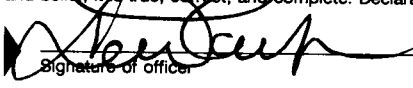
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

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

Yes	No

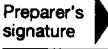
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer:  Date: 8 MAY 2007

Keith Taylor, President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature:  Date: _____

Check if self-employed ☐

Preparer's SSN or PTIN (See Gen. Inst. X) _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____

EIN: _____

Phone no.: _____



Statement 1

Form: 990

Page: 2

Part: II

Question: 22

MODEST NEEDS FOUNDATION

47-0863430

Grants and Allocations

Classification	Charitable	Donors	choose
Date:		Address:	347 West 36th Street Suite 503
Type:	Cash		New York, NY 10018
Grant Amount	\$100.00		United States
Relationship:	None		
Description of Property:		How Determined	
Book Value of Property:			
FMV of Property:			

Classification	Charitable	Modest Needs Foundation	Canada
Date:		Address:	82686 Graham Street RR 3
Type:	Cash		Goderich, Ontario N7A 3X9
Grant Amount	\$797.00		Canada
Relationship:	Foreign Affiliate		
Description of Property:		How Determined	
Book Value of Property:			
FMV of Property:			

Classification	Charitable	Ziv Tzedakah Fund	
Date:	08/02/2006	Address:	384 Wyoming Ave
Type:	NonCash		Millburn, NJ 07041
Grant Amount	\$811.00		United States
Relationship:	None		
Description of Property:	Electronic Document Scanner	How Determined	
Book Value of Property:	\$811.00	Cost	
FMV of Property:	\$811.00	Cost - new purchase	

Classification	Charitable	Modest Needs Foundation	Canada
Date:		Address:	82686 Graham Street RR 3
Type:	Cash		Goderich, Ontario N7A 3X9
Grant Amount	\$1,075.00		Canada
Relationship:	Foreign Affiliate		
Description of Property:		How Determined	
Book Value of Property:			

FMV of Property:

Total Grants: **\$2,783.00**

Statement 2
Form: 990
Page: 2
Part: II
Question: 23

MODEST NEEDS FOUNDATION
47-0863430

Specific Assistance to Individuals

Assistance Type	Total Payments
Back-to-Work Grants to Individuals	\$37,869.00
Gulf Coast Renewal Grants to Individuals	\$58,315.00
Self-Sufficiency Grants to Individuals	\$252,962.00
Independent Living Grants to Individuals	\$50,034.00
Total:	\$399,180.00

Statement 3

Form: 990

Page: 2

Part: II

Question: 25

MODEST NEEDS FOUNDATION**47-0863430****Compensation Detail - Officers, Directors, Etc.**

Description	Total:	Pgm Services	Mgt and General	Fundraising
Keith Taylor				
Compensation	\$75,000.00	\$65,040.00	\$4,425.00	\$5,535.00
Benefits	\$5,400.00	\$4,579.00	\$619.00	\$202.00
Expenses	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$80,400.00	\$69,619.00	\$5,044.00	\$5,737.00
Total:	\$80,400.00	\$69,619.00	\$5,044.00	\$5,737.00

Statement 4

Form: 990

Page: 2

Part: II

Question: 42

MODEST NEEDS FOUNDATION**47-0863430****Depreciation and Depletion**

Asset	Current Deprec.
Equipment	\$13,237.00
Furniture	\$1,296.00
Software	\$3,021.00
Total	\$17,554.00

Statement 5

Form: 990

Page: 2

Part: II

Question: 43

MODEST NEEDS FOUNDATION**47-0863430****Attachment listing other expenses for Part II**

Description	Total:	Pgm Services	Mgt and General	Fundraising
Temporary Contract Help	\$1,463.00	\$0.00	\$1,463.00	\$0.00
Outside Computer Services	\$333.00	\$333.00	\$0.00	\$0.00
Business Insurance	\$3,364.00	\$0.00	\$3,364.00	\$0.00
Staff Development	\$7,857.00	\$7,857.00	\$0.00	\$0.00
Other Non-Personnel Expenses	\$9,943.00	\$8,184.00	\$1,759.00	\$0.00
Production Expenses	\$32,717.00	\$19,311.00	\$0.00	\$13,406.00
Professional Fees	\$45,050.00	\$26,354.00	\$0.00	\$18,696.00
Filing Fees	\$445.00	\$0.00	\$445.00	\$0.00
Subscriptions & Reference	\$3,014.00	\$3,014.00	\$0.00	\$0.00
Employee Health Ins. Premiums	\$4,748.00	\$4,748.00	\$0.00	\$0.00
Advertising Expenses	\$11,276.00	\$6,805.00	\$0.00	\$4,471.00
Bank & Merchant Account Fees	\$10,227.00	\$0.00	\$10,227.00	\$0.00
Total:	\$130,437.00	\$76,606.00	\$17,258.00	\$36,573.00

Statement 6

Form: 990

Page: 3

Part: III

Question:

MODEST NEEDS FOUNDATION**47-0863430****Program Services**

Achievement	Pgm. Svc. Exp.
Human Services Programs, General/Other: Provided specific assistance to individuals who had encountered temporary financial crises through no immediate fault of their own, thereby bolstering the self-sufficiency of our clients and lessening the burden of state and federal agencies charged with the care of the truly indigent. (2295 People)	\$746,832.00
Grants and Allocations: \$2,783.00 This amount includes foreign grants: Yes	
Total:	\$746,832.00

Statement 7

Form: 990

Page: 4

Part: IV

Question: 55

MODEST NEEDS FOUNDATION**47-0863430****Schedule of Investment Land, Buildings and Equipment**

Description	Cost	Depreciation	Book Value
Computer Software	\$7,766.00	\$5,465.00	\$2,301.00
Furniture & Fixtures	\$4,274.00	\$1,709.00	\$2,565.00
Hardware	\$55,493.00	\$27,739.00	\$27,754.00
Total:	\$67,533.00	\$34,913.00	\$32,620.00

Statement 8

Form: 990

Page: 4

Part: IV

Question: 58

MODEST NEEDS FOUNDATION**47-0863430****Other Assets**

Asset Description	BOY Amount	EOY Amount
Security Deposits	\$10,570.00	\$10,355.00
Travel Credits	\$0.00	\$1,683.00
Undeposited Funds	\$5,393.00	\$26,436.00
Total:	\$15,963.00	\$38,474.00

Statement 9

Form: 990

Page: 5

Part: V

Question:

MODEST NEEDS FOUNDATION**47-0863430****Officers, Directors, Trustees, and Key Employees**

Name and Address	Hrs	Comp.	Benefits	Expenses
Dr Keith P Taylor	80	\$75,000.00	\$5,400.00	\$0.00
Title: Secretary				
Addr 1: 115 E 30th St				
Addr 2:				
CSZ: New York, NY 10016				
Country: United States				
Compensation Explanation: Dr. Taylor's salary as President and Executive Director of Modest Needs Foundation was approved unanimously by Modest Needs' Board of Directors, who considered the compensation package to be wholly commensurate with his duties and service to the organization. The cost of Dr. Taylor's salary was borne in its entirety by grants from foundations made to Modest Needs Foundation in part for this purpose. Modest Needs' individual donors bore none of the cost of Dr. Taylor's compensation package.				
Elizabeth R Kohen	3	\$0.00	\$0.00	\$0.00
Title: Treasurer				
Addr 1: 115 E 30th St				
Addr 2:				
CSZ: New York, NY 10016				
Country: United States				
John Arenberg	3	\$0.00	\$0.00	\$0.00
Title: Chairman				
Addr 1: 115 E 30th St				
Addr 2:				
CSZ: New York, NY 10016				
Country: United States				
Thierry Mellon	20	\$0.00	\$0.00	\$0.00
Title: Board Member				
Addr 1: 115 E 30th St				
Addr 2:				
CSZ: New York, NY 10016				
Country: United States				
Zachary Mannheimer	3	\$0.00	\$0.00	\$0.00
Title: Board Member				
Addr 1: 115 E 30th St				
Addr 2:				
CSZ: New York, NY 10016				
Country: United States				
TOTALS		\$75,000.00	\$5,400.00	\$0.00

Statement 10

Form: 990

Page: 8

Part: VIII

Question:

MODEST NEEDS FOUNDATION

47-0863430

Relationship of Activities

Line No	Relationship of Activities to the Accomplishment of Exempt Purposes
95	Interest earned on cash held in organizational savings accounts later disbursed as grants to individuals.

Statement 11

Form: 990

Page: None

Part: None

Question: None

MODEST NEEDS FOUNDATION**47-0863430****Additional Explanations**

Additional Explanations

Identifier: Allocation of Individual Donations to Specific Assistance to Individuals**Reference:** Form 990, Part II, Lines 22b & 23

Explanation: In 2006, Modest Needs Foundation implemented an operational model whereby all of the organization's functional expenses were paid in full by grants from private foundations made for that purpose. The implementation of this model allows for Modest Needs Foundation to disburse a full 100% of the contributions that the organization receives from individual donors directly to our grant applicants. In 2006, individual contributions to Modest Needs totaled \$406,574. In the same period, disbursements to our grant applicants totaled \$404,426, with the remaining \$2148 in individual contributions being held by the organization for disbursement to individual grant applicants in the following year. In 2006, Modest Needs Foundation's individual donors bore none of the cost of the organization's functional expenses.

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2006

Name of the organization

MODEST NEEDS FOUNDATION

Employer identification number

47 0863430

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶		0		

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		0

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶		0

Part III **Statements About Activities** (See page 2 of the instructions.)**Yes** **No**

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1

✓

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a

✓

b Lending of money or other extension of credit?

2b

✓

c Furnishing of goods, services, or facilities?

2c

✓

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d

✓

See Form 990, Pt. V

e Transfer of any part of its income or assets?

2e

✓

- 3a** Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a

✓

b Did the organization have a section 403(b) annuity plan for its employees?

3b

✓

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c

✓

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d

✓

- 4a** Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a

✓

b Did the organization make any taxable distributions under section 4966?

4b

✓

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c

✓

d Enter the total number of donor advised funds owned at the end of the tax year ► _____

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____

2

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____

42,680

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☒ 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Schedule A (Form 990 or 990-EZ) 2006

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 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?	29	
30 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?	30	
31 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, attach a separate statement.)	31	
32 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, attach a separate statement.)	32a 32b 32c 32d	
33 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, attach a separate statement.)	33a 33b 33c 33d 33e 33f 33g 33h	
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35 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," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** ☐ if the organization belongs to an affiliated group. Check **b** ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations												
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36													
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38													
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40													
41	Lobbying nontaxable amount. Enter the amount from the following table— <table border="0"> <tr> <td>If the amount on line 40 is—</td> <td>The lobbying nontaxable amount is—</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is—	The lobbying nontaxable amount is—	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	
If the amount on line 40 is—	The lobbying nontaxable amount is—														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41).	42													
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.	43													
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.	44													

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		✓	
b Paid staff or management (Include compensation in expenses reported on lines c through h).		✓	
c Media advertisements		✓	
d Mailings to members, legislators, or the public		✓	
e Publications, or published or broadcast statements		✓	
f Grants to other organizations for lobbying purposes		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		✓	
i Total lobbying expenditures (Add lines c through h).			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

