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Form 990

Return of Organization Exempt From Income Tax

2008

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 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable

Address change

Name change

Initial return

Termination

Amended return

Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization Shady Hill School	D Employer identification number 04-2103628
E Doing Business As	
F Number and street (or P O box if mail is not delivered to street address) 178 Coolidge Hill	G Room/suite
H City or town, state or country, and ZIP + 4 cambridge, MA 02138	

I Tax-exempt status 501(c) (3) ► (insert no) 4947(a)(1) or 527

J Web site: ► www.shs.org

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(c) Group Exemption Number ►

K Type of organization Corporation trust association other ►

L Year of Formation 1915

M State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities SEE SCHEDULE O		
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
3 Number of voting members of the governing body (Part VI, line 1a)	3	23
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	20
5 Total number of employees (Part V, line 2a)	5	138
6 Total number of volunteers (estimate if necessary)	6	75
7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	-159,276

8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	3,720,792	2,502,844
9 Program service revenue (Part VIII, line 2g)	11,511,317	12,873,091
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	855,791	-1,936,460
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	656,393	72,210
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	16,744,293	13,511,685

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	Prior Year	Current Year
14 Benefits paid to or for members (Part IX, column (A), line 4)		0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	8,803,769	10,082,489
16a Professional fundraising fees (Part IX, column (A), line 11e)	53,976	115,302
b (Total fundraising expenses, Part IX, column (D), line 25 892,129)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	5,007,339	4,706,155
18 Total expenses—add lines 13-17 (must equal Part IX, line 25, column (A))	15,494,342	16,645,070
19 Revenue less expenses Subtract line 18 from line 12	1,249,951	-3,133,385

20 Total assets (Part X, line 16)	Beginning of Year	End of Year
21 Total liabilities (Part X, line 26)	76,127,221	85,526,073
22 Net assets or fund balances Subtract line 21 from line 20	32,414,235	34,378,586
	43,712,986	51,147,487

Part II Signature Block

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
	*****	2010-02-15	Date
	Signature of officer		
	ELIZABETH REID CHIEF FINANCIAL OFFICER		
	Type or print name and title		

Paid Preparer's Use Only	Preparer's signature ► JOHN T WILMOT	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► CBIZ Tofias 130 Bellevue Avenue Newport, RI 02840		EIN ►	
			Phone no ► (401) 380-1800	

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

Part III Statement of Program Service Accomplishments (See the instructions.)**1** Briefly describe the organization's mission

See Additional Data Table

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 (4) organizations and 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**4a** (Code) (Expenses \$ 12,381,544 including grants of \$ 1,481,618) (Revenue \$ 12,099,129)

INSTRUCTIONAL - SHADY HILL SCHOOL WANTS CHILDREN TO BE JOYFUL, ACTIVE LEARNERS WHO DEVELOP THE INTELLECTUAL DISCIPLINE NECESSARY TO BECOME CONTRIBUTING, ETHICAL CITIZENS TO ACCOMPLISH THESE ENDS, WE BELIEVE IN THE PRIMACY OF EXPLORATION AND DISCOVERY, WE ADVANCE THE MASTERY OF SKILLS, AND WE HELP STUDENTS SHAPE MEANING FROM KNOWLEDGE

4b (Code) (Expenses \$ 501,869 including grants of \$ 203,595) (Revenue \$ 633,554)

AFTER SCHOOL PROGRAM - THE GOAL OF THIS PROGRAM IS TO PROVIDE A RELAXED, SAFE, NURTURING, AND DYNAMIC NEIGHBORHOOD SETTING FOR CHILDREN ONCE THEIR DAY ENDS. WE AIM TO PROVIDE A STIMULATING AND FUN ENVIRONMENT IN WHICH CHILDREN CAN EXPLORE THEIR OWN UNIQUE IMAGINATIONS, DEVELOP FRIENDSHIPS AND TEST THEIR ABILITIES. THE PROGRAM IS PLANNED WITH THE FLEXIBILITY TO MAKE ROOM FOR CHILDREN TO INITIATE AND INVENT THEIR OWN GAMES AND PROJECTS. ADDITIONALLY, WE OFFER A QUIET AND SUPPORTIVE SPACE FOR STUDENTS TO WORK ON THEIR HOMEWORK

4c (Code) (Expenses \$ 365,001 including grants of \$ 55,911) (Revenue \$ 140,408)

TEACHER TRAINING COURSE (TTC)- THIS COURSE PROVIDES ASPIRING TEACHERS WITH WELL-GUIDED EXPERIENCES IN PRE-K THROUGH EIGHTH GRADE CLASSROOMS WHERE PRACTICE MERGED WITH THEORY IS PARAMOUNT. IMMERSION IN THE CLASSROOM WHILE STUDYING AND WORKING ALONGSIDE A TALENTED MENTOR IS THE BEST WAY TO LEARN HOW TO TEACH. IN THIS ONE-YEAR, SITE-BASED PREPARATION PROGRAM, APPRENTICE TEACHERS DISCOVER WHAT TEACHING IS ALL ABOUT THROUGH OBSERVATION, SUPERVISED TEACHING, WORKSHOPS, SEMINARS, AND CONTINUOUS INVOLVEMENT IN THE LIFE OF THE SCHOOL

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 13,248,414 Must equal Part IX, Line 25, column (B).

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

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? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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? If "Yes," complete Schedule D, Part IV

10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII

13 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the U.S.?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I

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? If "Yes," complete Schedule F, Part II

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? If "Yes," complete Schedule F, Part III

17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J

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? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25

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? If "Yes," complete Schedule L, Part I

b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I

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? If "Yes," complete Schedule L, Part II

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III

	Yes	No
1	Yes	
2	Yes	
3		No
4		No
5		
6		No
7		No
8		No
9		No
10	Yes	
11	Yes	
12	Yes	
13	Yes	
14a		No
14b		No
15		No
16		No
17	Yes	
18	Yes	
19		No
20		No
21		No
22	Yes	
23	Yes	
24a	Yes	
24b		No
24c		No
24d		No
25a		No
25b		No
26		No
27		No

Part IV Checklist of Required Schedules (Continued)

28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee

- a** Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV
- b** Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV
- c** Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1

35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

37 Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI

	Yes	No
28a		No
28b		No
28c	Yes	
29	Yes	
30		No
31		No
32		No
33		No
34		No
35		No
36		No
37		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	38
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	138
2b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? <i>Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		
3b	If "Yes," has it filed a Form 990-T for this year? <i>If "No," provide an explanation in Schedule O</i>		
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)?		
4b	If "Yes," enter the name of the foreign country <u>CJ , NT , BD</u> 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?	5a	No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
5c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
6a	Did the organization solicit any contributions that were not tax deductible?	6a	No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>	7a	No
7a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?		
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
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?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
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	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>	9a	
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	<i>Section 501(c)(7) organizations.</i> Enter	10a	
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	<i>Section 501(c)(12) organizations</i> Enter	11a	
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	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> Is the organization filing Form 990 in lieu of Form 1041?	12a	
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)
Section A. Governing Body and Management

	Yes	No
For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.		
1a Enter the number of voting members of the governing body . . .	1a	23
b Enter the number of voting members that are independent . . .	1b	20
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?	2	No
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?	3	No
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	No
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	No
6 Does the organization have members or stockholders?	6	No
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	No
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	No
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a the governing body?	8a	Yes
b each committee with authority to act on behalf of the governing body?	8b	Yes
9a Does the organization have local chapters, branches, or affiliates?	9a	No
b 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?	9b	
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes
11 Is there any officer, director or 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	11	No

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No", go to line 13	12a	Yes
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes
13 Does the organization have a written whistleblower policy?	13	Yes
14 Does the organization have a written document retention and destruction policy?	14	No
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		
a The organization's CEO, Executive Director, or top management official?	15a	Yes
b Other officers or key employees of the organization?	15b	Yes
Describe the process in Schedule O		
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?	16a	No
b 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?	16b	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed MA

18 Section 6104 requires an organization to make its Form 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. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
ELIZABETH REID
178 COOLIDGE HILL
CAMBRIDGE, MA 02138
(617) 520-5216

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. Use Schedule J-2 if additional space is needed.

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

* 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, or 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 officer, director, trustee or key employee.

Part VII **Continued**

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ►5

	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>	3 Yes	
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>	4 Yes	
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>	5	No

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

(A)	Name and business address	(B)	Description of services	(C)	Compensation
MACHADO & SILVETTI ASSOCIATES INC			ARCHITECTURAL SERVICES		301,245
560 HARRISON AVENUE					
BOSTON, MA 02118					
DESIGN TECHNIQUE INC			PROJECT MANAGEMENT		199,979
56 HIGH STREET					
NEWBURYPORT, MA 01950					
SEYFARTH SHAW ATTORNEYS LLP			LEGAL SERVICES		165,926
131 S DEARBORN STREET SUITE 2400					
CHICAGO, IL 60603					
JACQUES & COMPANY INC			FUNDRAISING ADVISORS		115,066
LIBERTY SQUARE					
DANVERS, MA 01923					
CAMBRIDGE ASSOCIATES LLC			INVESTMENT ADVISORS		101,977
PO BOX 10317					
UNIONDALE, NY 11555					

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization

Part VIII Statement of Revenue

		(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . . 1a				
	b Membership dues 1b				
	c Fundraising events 1c				
	d Related organizations . . . 1d				
	e Government grants (contributions) 1e				
	f All other contributions, gifts, grants, and similar amounts not included above 2,502,844				
	g Noncash contributions included in lines 1a-1f \$ 541,187				
	h Total (Add lines 1a-1f) 2,502,844				
Program Service Revenue	2a Tuition and Fees	Business Code			
		900,099	11,716,385	11,716,385	
	b After School Program	900,099	633,554	633,554	
	c Other Programs	900,099	523,152	523,152	
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f \$ 12,873,091				
3 Investment income (including dividends, interest other similar amounts) 177,954				177,954	
4 Income from investment of tax-exempt bond proceeds ►					
5 Royalties					
	(i) Real	(ii) Personal			
6a Gross Rents	3,700				
b Less rental expenses	1,007				
c Rental income or (loss)	2,693				
d Net rental income or (loss) ►		2,693		2,693	
7a	(i) Securities	(ii) Other			
	19,565,764	25,575			
b Less cost or other basis and sales expenses	21,673,133	32,620			
c Gain or (loss)	-2,107,369	-7,045			
d Net gain or (loss) ►		-2,114,414		-2,114,414	
8a Gross income from fundraising events (not including \$ <u>67,330</u> of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a					
b Less direct expenses . . . b	17,165				
c Net income or (loss) from fundraising events ►		50,165		50,165	
9a Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000					
a					
b Less direct expenses . . . b					
c Net income or (loss) from gaming activities ►					
10a Gross sales of inventory, less returns and allowances a					
b Less cost of goods sold . . . b					
c Net income or (loss) from sales of inventory ►					
Miscellaneous Revenue	Business Code				
11a Miscellaneous Income	900,099	19,352	19,352		
b					
c					
d All other revenue					
e Total. Add lines 11a-11d \$ 19,352					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ►		13,511,685	12,892,443	0	-1,883,602

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).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
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	1,741,124	1,741,124		
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	638,243	235,095	314,852	88,296
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	7,856,585	6,538,836		401,025
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	340,307	274,621	51,893	13,793
9 Other employee benefits	646,342	541,826	57,188	47,328
10 Payroll taxes	601,012	471,938	95,783	33,291
11 Fees for services (non-employees)				
a Management	25,065		25,065	
b Legal	75,512		75,512	
c Accounting				
d Lobbying				
e Professional fundraising See Part IV, line 17 . . .	115,302			115,302
f Investment management fees	181,310		181,310	
g Other	27,031		27,031	
12 Advertising and promotion	16,143		16,143	
13 Office expenses	857,045	653,039	116,873	87,133
14 Information technology	97,909	91,483		6,426
15 Royalties				
16 Occupancy	272,855	268,213	1,999	2,643
17 Travel	39,490	37,004	276	2,210
18 Payments of travel or entertainment expenses for any Federal, state or local public officials				
19 Conferences, conventions and meetings	7,993		7,993	
20 Interest	554,068	544,641	4,060	5,367
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,299,823	1,053,644	236,799	9,380
23 Insurance	89,557	88,033	656	868
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 UNRELATED BUSINESS INCO	16,243		16,243	
b Equipment Rental and Ma	497,746	459,983	33,230	4,533
c Lunchroom	146,994	146,994		
d Faculty Development	97,530	83,958	13,572	
e Recruiting Fees	72,009		72,009	
f All other expenses	331,832	17,982	239,316	74,534
25 Total functional expenses. Add lines 1 through 24f	16,645,070	13,248,414	2,504,527	892,129
26 Joint Costs. Check <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				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
1	Cash—non-interest-bearing	401	1	400
2	Savings and temporary cash investments	20,136,927	2	12,058,068
3	Pledges and grants receivable, net	3,653,536	3	3,270,734
4	Accounts receivable, net	85,420	4	90,967
5	Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
7	Notes and loans receivable, net		7	
8	Inventories for sale or use		8	
9	Prepaid expenses and deferred charges	803,972	9	806,735
10a	Land, buildings, and equipment cost basis	10a	45,359,412	
b	Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b	5,857,190	20,118,479 10c 39,502,222
11	Investments—publicly traded securities		31,328,486	11 29,796,947
12	Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>			12
13	Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>			13
14	Intangible assets			14
15	Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>			15
16	Total assets. Add lines 1 through 15 (must equal line 34)		76,127,221	16 85,526,073
17	Accounts payable and accrued expenses		1,424,169	17 1,503,263
18	Grants payable			18
19	Deferred revenue		308,122	19 616,390
20	Tax-exempt bond liabilities		30,600,000	20 30,600,000
21	Escrow account liability <i>Complete Part IV of Schedule D</i>			21
22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>			22
23	Secured mortgages and notes payable to unrelated third parties			23
24	Unsecured notes and loans payable			24
25	Other liabilities <i>Complete Part X of Schedule D</i>		81,944	25 1,658,933
26	Total liabilities. Add lines 17 through 25		32,414,235	26 34,378,586
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		34,230,175	27 40,758,555
28	Temporarily restricted net assets		7,327,340	28 6,781,967
29	Permanently restricted net assets		2,155,471	29 3,606,965
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		43,712,986	33 51,147,487
34	Total liabilities and net assets/fund balances		76,127,221	34 85,526,073

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	
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a No
b	Were the organization's financial statements audited by an independent accountant?	2b Yes	
c	If "Yes" to lines 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?	2c Yes	
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?		3a No
b	If "Yes," did the organization undergo the required audit or audits?	3b	

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support****2008**Department of the Treasury
Internal Revenue Service**To be completed by all section 501(c)(3) organizations and section 4947(a)(1)
nonexempt charitable trusts.****Attach to Form 990 or Form 990-EZ. See separate instructions.****Open to Public
Inspection****Name of the organization**

Shady Hill School

Employer identification number

04-2103628

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only one organization)

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)**. (Attach Schedule H)

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)**. (See instructions)

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

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?

(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 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 organizations the organization supports

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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									

Part II Support Schedule for Organizations Described in IRC 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.)
Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 501(c)(3) organization, check this box and **stop here**

**Computation of Public Support Percentage**

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% Test - 2008. 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		
b 33 1/3% Test - 2007. If the organization did not check the 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		
17a 10% Facts and Circumstances Test - 2008. 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		
b 10% Facts and Circumstances Test - 2007. 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		
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part III Support Schedule for Organizations Described in IRC 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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 1-5						
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 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Total of lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 30 June, 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 501(c)(3) organization, check this box and stop here						►

Computation of Public Support Percentage

15 Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16 Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17 Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17
18 Investment Income Percentage from 2007 Schedule A, Part IV-A, line 27h	18
19a 33 1/3% Tests - 2008. 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% Tests - 2007. 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	►

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information. (see instructions)

Facts and Circumstances Test

2008

Open to Public
Inspection**SCHEDULE D**
(Form 990)**Supplemental Financial Statements**► Attach to Form 990. To be completed by organizations that
answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.Department of the Treasury
Internal Revenue Service**Name of the organization**
Shady Hill School**Employer identification number**

04-2103628

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 may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other 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)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically important land area

Protection of natural habitat Preservation of certified historic structure

Preservation of open space

2 Complete lines 2a-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 Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds?

Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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 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 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 Trust, Escrow and Custodial Arrangements. Complete if the 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 why in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
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	46,669,667				
b Contributions	87,775				
c Investment earnings or losses	-6,324,917				
d Grants or scholarships	1,998,505				
e Other expenditures for facilities and programs	38,434,020				
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► 81 540 %

b Permanent endowment ► 9 080 %

c Term endowment ► 9 380 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

Yes

No

(ii) related organizations

Yes

No

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

Yes

No

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) Depreciation	(d) Book value
1a Land		57,698			57,698
b Buildings		44,722,247	5,521,383		39,200,864
c Leasehold improvements					
d Equipment		549,252	328,515		220,737
e Other		30,215	7,292		22,923
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					39,502,222

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	►

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Provision for Unemp Comp	48,811
Other Liabilities	172,299
Interest Rate Swap	1,437,823
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.) ►	1,658,933

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	13,511,685
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	16,645,070
3 Excess or (deficit) for the year Subtract line 2 from line 1	3	-3,133,385
4 Net unrealized gains (losses) on investments	4	
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	16,153,113
8 Other (Describe in Part XIV)	8	-5,585,227
9 Total adjustments (net) Add lines 4 - 8	9	10,567,886
10 Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	7,434,501

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	7,169,553
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a Net unrealized gains on investments	2a	-5,585,227
b Donated services and use of facilities	2b	679,075
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV)	2d	1,007
e Add lines 2a through 2d	2e	-4,905,145
3 Subtract line 2e from line 1	3	12,074,698
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	1,436,987
c Add lines 4a and 4b	4c	1,436,987
5 Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	13,511,685

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

1 Total expenses and losses per audited financial statements	1	15,888,165
2 Amounts included on line 1 but not on Form 990, Part IX, line 25		
a Donated services and use of facilities	2a	679,075
b Prior year adjustments	2b	
c Losses reported on Form 990, Part IX, line 25	2c	
d Other (Describe in Part XIV)	2d	1,007
e Add lines 2a through 2d	2e	680,082
3 Subtract line 2e from line 1	3	15,208,083
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	1,436,987
c Add lines 4a and 4b	4c	1,436,987
5 Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	16,645,070

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 XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		Unrealized Gain/Loss on Endowment -4147404 Unrealized Gain/Loss on Interest Rate Swap -1437823
Part XII, Line 2d - Other Adjustments		RENTAL EXPENSES 1007
Part XII, Line 4b - Other Adjustments		FINANCIAL AID 1414442 SPECIAL EVENTS INDIRECT EXPENSES 9981 AFTER-SCHOOL PROGRAM REVENUE 12564
Part XIII, Line 2d - Other Adjustments		RENTAL EXPENSES 1007
Part XIII, Line 4b - Other Adjustments		FINANCIAL AID 1414442 SPECIAL EVENTS INDIRECT EXPENSES 9981 AFTER-SCHOOL PROGRAM REVENUE 12564

2008

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Inspection

Schools

Attach to Form 990 or Form 990-EZ. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.

SCHEDULE E
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service

Name of the organization

Shady Hill School

Employer identification number

04-2103628

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.

COMMON NON-DISCRIMINATION AD WITH OTHER MEMBERS OF THE ASSOCIATION OF INDEPENDENT SCHOOLS IN NEW ENGLAND WAS PUBLISHED IN THE BOSTON GLOBE

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, attach a separate statement)

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, attach a separate statement)

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 6a or b, please explain using an attached statement

7 Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation

	YES	NO
1	Yes	
2	Yes	
3	Yes	
4a	Yes	
4b	Yes	
4c	Yes	
4d	Yes	
5a		No
5b		No
5c		No
5d		No
5e		No
5f		No
5g		No
5h		No
6a		No
6b		No
7	Yes	

2008

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InspectionSCHEDULE G
(Form 990 or 990-EZ)Supplemental Information Regarding
Fundraising or Gaming Activities

► Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.

Department of the Treasury
Internal Revenue Service

Name of the organization

Shady Hill School

Employer identification number

04-2103628

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

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

a <input checked="" type="checkbox"/> Mail solicitations	e <input checked="" type="checkbox"/> Solicitation of non-government grants
b <input checked="" type="checkbox"/> Email solicitations	f <input type="checkbox"/> Solicitation of government grants
c <input checked="" type="checkbox"/> Phone solicitations	g <input checked="" type="checkbox"/> Special fundraising events
d <input checked="" type="checkbox"/> In-person solicitations	

2a 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 activities?

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 Form 990-EZ filers are not required to complete this table

(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			
JACQUES & COMPANY	FUNDRAISING CONSULTING		No	1,116,442	115,302	1,001,140
Total						

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

MA

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))
		<u>SHADY HILL FAIR</u> (event type)	(event type)	(total number)	
Revenue	1 Gross receipts	63,996			63,996
	2 Less Charitable contributions				
	3 Gross revenue (line 1 minus line 2)	63,996			63,996
Direct Expenses	4 Cash Prizes				
	5 Non-cash Prizes				
	6 Rent/Facility costs				
	7 Other direct expenses	17,165			17,165
	8 Direct expense summary Add lines 4 through 7 in column (d) ►				17,165
	9 Net income summary Combine lines 3 and 8 in column (d) ►				46,831

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))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash 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 lines 1 and 7 in column (d) ►				

9 Enter the state(s) in which the organization operates gaming activities	<input type="checkbox"/> Yes	<input type="checkbox"/> No
a Is the organization licensed to operate gaming activities in each of these states?	<input type="checkbox"/> 9a	
b If "No," Explain _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	<input type="checkbox"/> 10a	
b If "Yes," Explain _____		
11 Does the organization operate gaming activities with nonmembers?	<input type="checkbox"/> 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?	<input type="checkbox"/> 12	

	Yes	No
13 Indicate the percentage of gaming activity operated in	13a	
a The organization's facility	13b	
b An outside facility		
14 Provide 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		
Name ►		
Address ►		
16 Gaming manager information		
Name ►		
Gaming manager compensation ► \$ _____		
Description of services provided ►		
<input type="checkbox"/> Director/officer	<input type="checkbox"/> Employee	<input type="checkbox"/> 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 distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

Department of the Treasury
Internal Revenue Service

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

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Inspection**

Name of the organization
Shady Hill School

Employer identification number

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" on 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 if additional space is needed.

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

3 Enter total number of other organizations

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use 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
FINANCIAL AID	89		1,414,442		NEED-BASED FINANCIAL AID TO STUDENTS - TUITION
FINANCIAL AID	86		326,682		NEED-BASED FINANCIAL AID TO STUDENTS - OTHER PROGRAMS

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

Identifier	Return Reference	Explanation

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2008**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Name of the organization

Shady Hill School

Employer identification number

04-2103628

Part I Questions Regarding Compensation

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 checked="" type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input checked="" type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

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?

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 checked="" type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<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

a Receive a severance payment or change of control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.

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?

b Any related organization?

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?

b Any related organization?

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

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

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) 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 compensation				
BRUCE SHAW	(i) (ii)	267,260		1,657	53,040	56,318	378,275
EDWARD BLACK	(i) (ii)	129,400		3,000	7,500	8,417	148,317
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
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	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						
	(i)						
	(ii)						

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**Schedule K
(Form 990)****Supplemental Information on Tax Exempt Bonds****2008**

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

**Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceName of the organization
Shady Hill School

Employer identification number

04-2103628

Part I Bond Issues (Required for 2008)

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	MASSACHUSETTS DEVELOPMENT FINANCE AGENCY	04-3431814	57583RYD1	06-26-2008	30,600,000	CONSTRUCTION AND EQUIPPING OF NEW GYM AND UNDERGROUND PARKING GARAGE		X		X

Part II Proceeds (Optional for 2008)

		A		B		C		D		E	
		Yes	No								
1	Total Proceeds of Issue										
2	Gross Proceeds in Reserve Funds										
3	Proceeds in Refunding or Defeasance Escrows										
4	Other Unspent Proceeds										
5	Issuance Costs from Proceeds										
6	Working Capital Expenditures from Proceeds										
7	Capital Expenditures from Proceeds										
8	Year of Substantial Completion										
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

		A		B		C		D		E	
		Yes	No								
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2	Are there any lease arrangements with respect to the financed property which may result in private business use?										

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No								
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b Are there any research agreements with respect to the financed property which may result in private business use?										
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

	A		B		C		D		E	
	Yes	No								
1 Has a Form 8038-T been filed with respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3a Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

Schedule L

Transactions with Interested Persons

OMB No 1545-0047

2008

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Department of the Treasury
Internal Revenue Service

- Attach to Form 990 or Form 990-EZ.
- To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

Name of the organization

Employer identification number

04-210362

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only)

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958  \$ _____

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DAVID ALTSCHULER TECHFOUNDATION	BOARD MEMBER	679,075	DONATED SERVICES AND USE OF EQUIPMENT		No

SCHEDULE M
(Form 990)Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

OMB No 1545-0047

To be completed by organizations that answered
"Yes" on Form 990, Part IV, lines 29 or 30.
Attach to Form 990

2008

Open to Public
InspectionName of the organization
Shady Hill School

Employer identification number

04-2103628

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	57	541,187	MEAN VALUE ON DATE OF GIFT
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 (describe _____)				
26 Other (describe _____)				
27 Other (describe _____)				
28 Other (describe _____)				
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			29	
Acknowledgement				

	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?		
30a		No
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?	Yes	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?		
32a	Yes	
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		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

2008

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(Form 990)**Supplemental Information to Form 990**

► **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

Name of the organization
Shady Hill School

Employer identification number

04-2103628

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 10		THE AUDIT COMMITTEE REVIEWS AND APPROVES THE FORM 990 BEFORE IT IS FILED THE FORM 990 IS ALSO MADE AVAILABLE TO THE BOARD OF TRUSTEES BEFORE IT IS FILED

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		THE BOARD OF OVERSEERS ARE ASKED TO FILL OUT A CONFLICT OF INTEREST STATEMENT ANNUALLY

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		COMPENSATION LEVELS ARE DETERMINED BY MARKET SURVEYS AND CONSULTATIONS WITH RECRUITING FIRMS WHEN APPLICABLE

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		SHADY HILL SCHOOL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC ONLY UPON REQUEST

Identifier	Return Reference	Explanation
PART XI - FINANCIAL STATEMENTS AND REPORTING	EXPLANATION OF LINE 2C	THE SHADY HILL AUDIT COMMITTEE MEETS PERIODICALLY AND IS RESPONSIBLE FOR THE OVERSIGHT OF THE AUDIT, AS WELL AS THE SELECTION OF THE AUDITOR. THE PROCESS HAS NOT CHANGED SINCE THE PRIOR YEAR

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 1	MISSION STATEMENT	SHADY HILL SCHOOL IS A PRIVATE, PRE-K THROUGH GRADE 8, CO-EDUCATIONAL DAY SCHOOL LOCATED ON 11 ACRES IN CAMBRIDGE, MASSACHUSETTS. THE CAMPUS CONTAINS MANY ACADEMIC, ATHLETIC AND ADMINISTRATION BUILDINGS INCLUDING A NEW ARTS COMPLEX AND GYMNASIUMS IN ADDITION TO PLAYGROUNDS AND PLAYING FIELDS. TOTAL ENROLLMENT IS APPROXIMATELY 515 STUDENTS. THE MISSION OF SHADY HILL SCHOOL WANTS CHILDREN TO BE JOYFUL, ACTIVE LEARNERS WHO DEVELOP THE INTELLECTUAL DISCIPLINE NECESSARY TO BECOME CONTRIBUTING, ETHICAL CITIZENS. TO ACCOMPLISH THESE ENDS, WE BELIEVE IN THE PRIMACY OF EXPLORATION AND DISCOVERY, WE ADVANCE THE MASTERY OF SKILLS, AND WE HELP STUDENTS SHAPE MEANING FROM KNOWLEDGE. SUSTAINING THE MISSION THE SCHOOL KNOWS AND HONORS THE INDIVIDUAL CHARACTER AND SPIRIT OF EACH CHILD. RESPECTS THE PACE OF CHILDHOOD AND UNDERSTANDS THAT TRUE EXPLORATION TAKES TIME. CREATES A SAFE ENVIRONMENT THAT ALLOWS CHILDREN TO BE CURIOUS, TAKE RISKS, AND MAKE MISTAKES. CHALLENGES PREJUDICE, RESPECTS DIFFERENCE, AND RECOGNIZES THAT MULTIPLE PERSPECTIVES INFORM HUMAN EXPERIENCE. ENCOURAGES CHILDREN TO BE INDEPENDENT THINKERS WHO CAN TRANSFORM IDEAS INTO MEANINGFUL ACTION. ADVOCATES LEARNING THROUGH COOPERATION AND COLLABORATION. DESIGNS AND USES CENTRAL SUBJECT, AN INTERDISCIPLINARY CURRICULUM WITH A DEEP FOCUS ON A SINGLE THEME OR YEAR-LONG TOPIC. EMPHASIZES CONTACT WITH PRIMARY SOURCES AND ACTUAL MATERIALS. CULTIVATES THE POWER OF CREATIVE THINKING AND ACADEMIC EXCELLENCE. PROMOTES THE LEADERSHIP OF TEACHERS AND INVESTS IN THEIR PROFESSIONAL DEVELOPMENT. OFFERS AN INSPIRING TEACHER TRAINING COURSE FOR THOSE PREPARING TO ENTER THE PROFESSION. FORGES A LIVELY, INTERDEPENDENT COMMUNITY OF STUDENTS, TEACHERS, PARENTS, ALUMNI AND ADMINISTRATORS WHO WORK TOGETHER TO ACHIEVE THE SCHOOL'S MISSION.

Identifier	Return Reference	Explanation
FORM 990, PART V - STATEMENTS REGARDING OTHER IRS FILINGS AND TAX COMPLIANCE	EXPLANATION OF LINE 4B	THE SHADY HILL SCHOOL IS DEEMED TO HAVE INDIRECT SIGNATURE AUTHORITY AS A RESULT OF ITS PASSIVE INVESTMENT IN PARTNERSHIP ENTITIES LOCATED IN BERMUDA, NETHERLANDS ANTILLES, AND THE CAYMAN ISLANDS.

Identifier	Return Reference	Explanation
SCHEDULE D, PART V - ENDOWMENT FUNDS	EXPLANATION OF LINE 1A	AT THE BEGINNING OF THE YEAR, THE SHADY HILL SCHOOL ELECTED TO CHANGE ITS METHOD OF VALUING ITS SPECIAL INVESTMENTS. AS A RESULT, THE RESTATEMENT OF INVESTMENTS TO FAIR VALUE TOTALLED \$16,153,113, AND WAS ADDED TO THE BALANCE OF ENDOWMENT FUNDS AT THE BEGINNING OF THE YEAR OF \$30,516,554 FOR A TOTAL OPENING BALANCE OF \$46,669,667.

Identifier	Return Reference	Explanation
SCHEDULE D, PART XI - RECONCILIATION OF CHANGE IN NET ASSETS	EXPLANATION OF LINE 7	EFFECTIVE JULY 1, 2008, THE SHADY HILL SCHOOL ELECTED TO CHANGE ITS METHOD OF VALUING ITS SPECIAL INVESTMENTS, WHICH RESULTED IN AN ADJUSTMENT TO RESTATE INVESTMENTS TO FAIR VALUE. THIS ADJUSTMENT TO THE BEGINNING BALANCE OF NET ASSETS TOTALLED \$16,153,113 AND IS REFLECTED AS A PRIOR PERIOD ADJUSTMENT ON THE RECONCILIATION OF CHANGE IN NET ASSETS.

Additional Data

Software ID:
Software Version:
EIN: 04-2103628
Name: Shady Hill School

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(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	Official	Key employee	Highest compensated employee	Former			
EMILY BLACKWELL , FACULTY REPRESENTATIVE	40 00	X						52,292	0	7,872
JOHN SEGAR , FACULTY REPRESENTATIVE	40 00	X						73,210	0	10,706
JINANE ABOUNADI , TRUSTEE	1 00	X						0	0	0
JOHN AVERY , TRUSTEE	1 00	X						0	0	0
GEORGE BEAL , TRUSTEE	1 00	X						0	0	0
SUSANNE BECK , TRUSTEE	1 00	X						0	0	0
KIMBERLY BUDD , TRUSTEE	1 00	X						0	0	0
DAVID ALTSHULER , TRUSTEE	1 00	X						0	0	0
POLLY CARPENTER , TRUSTEE, CHAIR, PARENT C	1 00	X						0	0	0
WILLIAM FORBUSH , TRUSTEE, CHAIR, B & G CO	1 00	X						0	0	0
SUE HALLOWELL , TRUSTEE	1 00	X						0	0	0
TOM HASLETT , TRUSTEE	1 00	X						0	0	0
JOHN KIM , TRUSTEE	1 00	X						0	0	0
ANNE MCCORMACK , TRUSTEE	1 00	X						0	0	0
ALEX MOOT , TRUSTEE	1 00	X						0	0	0
SUSAN MUNTER , TRUSTEE	1 00	X						0	0	0
JONATHAN POORVU , TRUSTEE	1 00	X						0	0	0
BILL RODRIGUEZ , TRUSTEE	1 00	X						0	0	0
ELIZABETH BARTLE , TRUSTEE, CO- CHAIR, PAREN	1 00	X						0	0	0
BRUCE SHAW , DIRECTOR OF SCHOOL	60 00	X	X					268,917	0	109,358
EDWARD BLACK , FORMER DTR OF FINL AFFAI	60 00					X		132,400	0	15,917
RENEE LANDERS , PRESIDENT	5 00	X	X					0	0	0
CHARLES LONGFIELD , TREASURER, CHAIR, FIN C	5 00	X	X					0	0	0
ROSEMARIE JOHNSON , CLERK	5 00	X	X					0	0	0
ELIZABETH REID , CHIEF FINANCIAL OFFICER	48 00		X					73,569	0	10,706
ERICA DEROSA , DIRECTOR OF ADVANCEMENT	50 00				X			115,550	0	11,066
ALLISON WEBSTER , DIRECTOR OF STUDIES	50 00				X			118,000	0	5,707
DAVID MOTTOLLA , PLANT MANAGER	50 00				X			102,950	0	12,206

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

SHADY HILL SCHOOL IS A PRIVATE, PRE-K THROUGH GRADE 8, CO-EDUCATIONAL DAY SCHOOL LOCATED ON 11 ACRES IN CAMBRIDGE, MASSACHUSETTS. THE CAMPUS CONTAINS MANY ACADEMIC, ATHLETIC AND ADMINISTRATION BUILDINGS INCLUDING A NEW ARTS COMPLEX AND GYMNASIUM IN ADDITION TO PLAYGROUNDS AND PLAYING FIELDS. TOTAL ENROLLMENT IS APPROXIMATELY 515 STUDENTS. THE MISSION SHADY HILL SCHOOL WANTS CHILDREN TO BE JOYFUL, ACTIVE LEARNERS WHO DEVELOP THE INTELLECTUAL DISCIPLINE NECESSARY TO BECOME CONTRIBUTING, ETHICAL CITIZENS. TO ACCOMPLISH THESE ENDS, WE BELIEVE IN THE PRIMACY OF EXPLORATION AND DISCOVERY, WE ADVANCE THE MASTERY OF SKILLS, AND WE HELP STUDENTS SHAPE MEANING FROM KNOWLEDGE.