

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)

2002

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

A For the 2002 calendar year, or tax year beginning 9/1/2002 and ending 8/31/2003

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

Please use IRS label or print or type. See Specific Instructions.	C Name of organization ABILITY APPLE SCHOOL			D Employer identification number 13-2769303	
	Number and street (or P O box if mail is not delivered to street address) 192 W DEMAREST AVE		Room/suite	E Telephone number 201-871-8808	
	City or town ENGLEWOOD	State or country NJ	ZIP + 4 07631	F Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
				<input type="checkbox"/> Other (specify) _____	

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- 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

G Web site: _____

J ORGANIZATION TYPE (check only one) 501(c) (3) (insert no) 4947(a)(1) OR 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. SOME STATES REQUIRE A COMPLETE RETURN

I Enter 4-digit GEN _____

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **336,675**

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions.)

	<p>1 Contributions, gifts, grants, and similar amounts received:</p> <p>a Direct public support 1a 1,962</p> <p>b Indirect public support 1b</p> <p>c Government contributions (grants) 1c</p> <p>d TOTAL (add lines 1a through 1c) (cash \$ _____ noncash \$ _____) 1d 1,962</p> <p>2 Program service revenue including government fees and contracts (from Part VII, line 93) 2 320,765</p> <p>3 Membership dues and assessments 3</p> <p>4 Interest on savings and temporary cash investments 4 471</p> <p>5 Dividends and interest from securities 5</p> <p>6 a Gross rents 6a</p> <p>b Less: rental expenses 6b</p> <p>c Net rental income or (loss) (subtract line 6b from line 6a) 6c 0</p> <p>7 Other investment income (describe _____) 7</p> <p>8 a Gross amount from sales of assets other than inventory (A) Securities (B) Other</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"></td> </tr> <tr> <td>8a</td> <td></td> </tr> <tr> <td>8b</td> <td></td> </tr> <tr> <td>8c</td> <td style="text-align: right;">0</td> </tr> </table> <p>d Net gain or (loss) (combine line 8c, columns (A) and (B)) 8d 0</p> <p>9 Special events and activities (attach schedule)</p> <p>a Gross revenue (not including \$ _____ of contributions reported on line 1a) 9a 13,477</p> <p>b Less: direct expenses other than fundraising expenses 9b 1,697</p> <p>c Net income or (loss) from special events (subtract line 9b from line 9a) 9c 11,780</p> <p>10 a Gross sales of inventory, less returns and allowances 10a</p> <p>b Less: cost of goods sold 10b</p> <p>c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) 10c 0</p> <p>11 Other revenue (from Part VII, line 103) 11</p> <p>12 TOTAL REVENUE (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) 12 334,978</p>			8a		8b		8c	0		
8a											
8b											
8c	0										
Expenses	13 Program services (from line 44, column (B)) 13 364,103										
	14 Management and general (from line 44, column (C)) 14 10,665										
	15 Fundraising (from line 44, column (D)) 15 0										
	16 Payments to affiliates (attach schedule) 16										
	17 TOTAL EXPENSES (add lines 16 and 44, column (A)) 17 374,768										
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12) 18 -39,790										
	19 Net assets or fund balances at beginning of year (from line 73, column (A)) 19 161,688										
	20 Other changes in net assets or fund balances (attach explanation) 20 769										
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) 21 122,667										

SCANNED FEB 11 04

Baramus NJ TAC
 578-2800

RA

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 page 21 of 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
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	0			
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc	41,600	41,600		
26	Other salaries and wages	102,484	102,484		
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	12,003	12,003		
30	Professional fundraising fees	0			
31	Accounting fees	0			
32	Legal fees	380	380		
33	Supplies	15,952	15,952		
34	Telephone	10,534	10,534		
35	Postage and shipping	4,363	4,363		
36	Occupancy	43,063	43,063		
37	Equipment rental and maintenance	2,891	2,891		
38	Printing and publications	0			
39	Travel	2,917	2,917		
40	Conferences, conventions, and meetings	0			
41	Interest	0			
42	Depreciation, depletion, etc. (attach schedule)	11,157	11,157		
43	Other expenses not covered above (itemize): a _____	0			
	b SEE ATTACHED SCHEDULE	127,424	116,759	10,665	
	c _____	0			
	d _____	0			
	e _____	0			
	f _____	0			
44	TOTAL FUNCTIONAL EXPENSES (add lines 22 through 43) ORGANIZATIONS COMPLETING COLUMNS (B)-(D), CARRY THESE TOTALS TO LINES 13-15	374,768	364,103	10,665	0

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 (See page 24 of the instructions.)	Program Service Expenses Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
	What is the organization's primary exempt purpose? <input type="checkbox"/> _____	
	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	ALL SERVICE OUTPUTS AND EXPENSES ARE ATTRIBUTABLE TO SCHOOL PROGRAMS	
	(Grants and allocations \$ _____)	364,103
b	(Grants and allocations \$ _____)	
c	(Grants and allocations \$ _____)	
d	(Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	TOTAL OF PROGRAM SERVICE EXPENSES (should equal line 44, column (B), Program services)	364,103

Part IV Balance Sheets (See page 24 of 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	10,908	45	4,443	
	46 Savings and temporary cash investments	102,596	46	98,464	
	47 a Accounts receivable	47a 0			
	b Less: allowance for doubtful accounts	47b 0	25,299	47c 0	
	48 a Pledges receivable	48a 0			
	b Less: allowance for doubtful accounts	48b 0	0	48c 0	
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		6,120	50	7,263
	51 a 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			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54	0
	55 a Investments - land, buildings, and equipment: basis	55a 0			
	b Less: accumulated depreciation (attach schedule)	55b 0	0	55c 0	
56 Investments - other (attach schedule)		0	56	0	
57 a Land, buildings, and equipment: basis	57a 57,979				
b Less: accumulated depreciation (attach schedule)	57b 49,482	19,654	57c	8,497	
58 Other assets (describe <input type="checkbox"/> SECURITY DEPOSITS)		4,000	58	4,000	
59 TOTAL ASSETS (add lines 45 through 58) (must equal line 74)		168,577	59	122,667	
Liabilities	60 Accounts payable and accrued expenses	6,889	60		
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0	
	64 a Tax-exempt bond liabilities (attach schedule)	0	64a	0	
	b Mortgages and other notes payable (attach schedule)	0	64b	0	
	65 Other liabilities (describe <input type="checkbox"/>)	0	65	0	
66 TOTAL LIABILITIES (add lines 60 through 65)		6,889	66	0	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted		67		
	68 Temporarily restricted		68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input checked="" 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		161,688	72	122,667
73 TOTAL NET ASSETS OR FUND BALANCES (add lines 67 through 69 OR lines 70 through 72; column (A) MUST equal line 19; column (B) MUST equal line 21)		161,688	73	122,667	
74 TOTAL LIABILITIES AND NET ASSETS / FUND BALANCES (add lines 66 and 73)		168,577	74	122,667	

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments . . . \$		
(2)	Donated services and use of facilities . . . \$		
(3)	Recoveries of prior year grants . . . \$		
(4)	Other (specify): _____ \$		
	Add amounts on lines (1) through (4) ▶	b	0
c	Line a minus line b . . . ▶	c	0
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$		
(2)	Other (specify): _____ \$		
	Add amounts on lines (1) and (2) ▶	d	0
e	Total revenue per line 12, Form 990 (line c plus line d) . . . ▶	e	0

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements . . . ▶	a	
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities . . . \$		
(2)	Prior year adjustments reported on line 20, Form 990 . . . \$		
(3)	Losses reported on line 20, Form 990 . . . \$		
(4)	Other (specify): _____ \$		
	Add amounts on lines (1) through (4) . . ▶	b	0
c	Line a minus line b . . . ▶	c	0
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . \$		
(2)	Other (specify): _____ \$		
	Add amounts on lines (1) and (2) . . ▶	d	0
e	Total expenses per line 17, Form 990 (line c plus line d) . . . ▶	e	0

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 26 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (IF NOT PAID, ENTER -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
MARY M MILLER 260 RIVERSIDE DR, #4A, NY, NY 10025	HEAD OF SCHOOL 40 HOURS	20,800		
MARYANN HOFFMAN 931 BANTA PL, RIDGEFIELD, NJ 07657	DEAN 40 HOURS	20,800		

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule-see page 26 of the instructions.

Part VI Other Information (See page 27 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on FORM 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file FORM 1120-POL for this year?	81b	X
82 a	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?	82a	X
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	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
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?	85a	
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.	85b	
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	0
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	
88	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	88	
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 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	X
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
90 a	List the states with which a copy of this return is filed		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions.)	90b	10
91	The books are in care of <input type="checkbox"/> KARYN REGENSBURG Telephone no. <input type="checkbox"/> 201-871-8808 Located at <input type="checkbox"/> 192 W DEMAREST AVE, ENGLEWOOD, NJ ZIP + 4 <input type="checkbox"/> 07631		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of FORM 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92		

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions.)

	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	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a TUITION & AFTER SCHOOL					320,765
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					471
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			01	11,780	
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		11,780	321,236
105 TOTAL (add line 104, columns (B), (D), and (E))					333,016

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of 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).
93A	Tuition provides qualified personnel and materials for proper education of the children.
95	Interest increases the school's endowment, the main purpose of which is to purchase a permanent building.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of 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 page 33 of 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).

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.

Karyn Regensburg Signature of officer Date 2/2/2004

KARYN REGENSBURG Type or print name and title **HD OF SCHOOL**

Paid Preparer's Use Only

Preparer's signature *Scott R. Chichester* Date 2/2/2004 Check if self-employed Preparer's SSN or PTIN (See Gen Inst W) 141-80-1439

Firm's name (or yours if self-employed), address, and ZIP + 4 **SCOTT R CHICHESTER** EIN

676A NINTH AVE, SUITE 338, NEW YORK, NY 10036 Phone no 212 977-0065

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2002

Department of the Treasury
Internal Revenue Service

Supplementary Information - (See separate instructions.)

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

Name of the organization ABILITY APPLE SCHOOL	Employer identification number 13-2769303
--	--

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 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				

Part II 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		

Part III Statements About Activities (See page 2 of the instructions.)

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national, state, or local legislation... 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts... 3. Does the organization make grants for scholarships, fellowships, student loans, etc.? 4. Do you have a section 403(b) annuity plan for your employees?

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions.)

- 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 [X] 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.)
11 a [] 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.)
11 b [] 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 supports organizations described in (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations. (See page 5 of the instructions.)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above. Includes empty rows for data entry.

- 14 [] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) USE CASH METHOD OF ACCOUNTING.

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

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2001, (b) 2000, (c) 1999, (d) 1998, (e) Total. Rows 15-25 detailing gifts, membership fees, gross receipts, interest/dividends, net income, tax revenues, and other income.

Table for lines 26a-26f. 26a: Enter 2% of amount in column (e), line 24. 26b: Prepare a list for your records to show the name of and amount contributed by each person. 26c: Total support for section 509(a)(1) test. 26d: Add Amounts from column (e) for lines 18, 19, 22, 26b. 26e: Public support (line 26c minus line 26d total). 26f: PUBLIC SUPPORT PERCENTAGE (LINE 26E (NUMERATOR) DIVIDED BY LINE 26C (DENOMINATOR)).

Table for lines 27a-27h. 27a: For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." 27b: For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the LARGER of (1) the amount on line 25 for the year or (2) \$5,000. 27c-27f: Add amounts from column (e) for lines 15, 16, 17, 20, 21 and line 27b total. 27g: PUBLIC SUPPORT PERCENTAGE (LINE 27E (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR)). 27h: INVESTMENT INCOME PERCENTAGE (LINE 18, COLUMN (E) (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR)).

28 UNUSUAL GRANTS For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant DO NOT FILE THIS LIST WITH YOUR RETURN Do not include these grants in line 15.

Part V

Private School Questionnaire (See page 7 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?	X	
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?	X	
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.)	X	

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

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

34 a Does the organization receive any financial aid or assistance from a governmental agency?		X
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.		X

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	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 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.

Table with columns: Limits on Lobbying Expenditures, (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows include Total lobbying expenditures, Total exempt purpose expenditures, and Lobbying nontaxable amount.

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 11 of the instructions.)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for years 2002, 2001, 2000, 1999, and Total. Rows include Lobbying nontaxable amount, Lobbying ceiling amount, Total lobbying expenditures, Grassroots nontaxable amount, Grassroots ceiling amount, and 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 11 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:

- 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.)

Table with columns: Yes, No, Amount. Rows corresponding to items a through i.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
 - (ii) Other assets
- b** Other transactions:
- (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations

	Yes	No
51a(i)		
a(ii)		
b(i)		
b(ii)		
b(iii)		
b(iv)		
b(v)		
b(vi)		
c		

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Line 47 (990) - Accounts receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	ACCOUNTS RECEIVABLE	25,299	0		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11	Total accounts receivable	25,299	0	0	0

Line 50 (990) - Receivables from officers, directors, trustees, and key employees

		Beginning	End
1	DIRECTOR LOAN - MARY MILLER	2,734	1,449
2	DIRECTOR LOAN - MARYANN HOFFMAN	300	300
3	EMPLOYEE LOAN - MEGAN MILLER	986	3,214
4	EMPLOYEE LOAN - KARYN REGENSBURG	2,100	2,100
5	EMPLOYEE LOAN - JOAN MARAZZO	0	200
6			
7			
8			
9			
10			
11	Total receivables from officers, directors, trustees, and key employees	6,120	7,263

Line 57 (990) - Land, buildings, and equipment

Land Only (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	-----		
2	-----		
3	-----		
4	-----		
5	-----		
6	-----		
7	-----		
8	-----		
9	-----		
10	-----		
Total land (net of any amortization)		0	0

Buildings and equipment Only		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
1	VEHICLE	12,720	12,720	12,720	12,720
2	FURNITURE & FIXTURES	12,026	12,026	10,544	10,544
3	IMPROVEMENTS	13,338	13,338	10,432	10,432
4	LIBRARY	1,300	1,300	910	910
5	VEHICLE 2	18,595	18,595	3,719	14,876
6	-----				
7	-----				
8	-----				
9	-----				
10	-----				
Total buildings and equipment		57,979	57,979	38,325	49,482

Buildings and equipment (less accumulated depreciation) 19,654 8,497

	Beginning of Year	End of Year
Total land, buildings and equipment	19,654	8,497

Line 58 (990) - Other Assets

		Beginning	End
1	SECURITY DEPOSITS	4,000	4,000
2	-----		
3	-----		
4	-----		
5	-----		
6	-----		
7	-----		
8	-----		
9	-----		
10	-----		
11	Total other assets	4,000	4,000

ABILITY APPLE SCHOOL

13-2769303

Y/E 08/31/03

Line 43 - Other Expenses

	Pgm Services	Mgt & General	Fundraising
Field Trip	7,983		
Bank Fees	951		
Book Store Items	585		
Events Expense	6,160		
Insurance		10,665	
Paydown of Accruals			
Licenses & Permits	138		
Licensing Royalties	39,452		
Expense Reimbursements	3,889		
Mktg/Promo Other	10,184		
Membership	112		
Office Exp	7,929		
Subcontractors	2,130		
Repairs & Maintenance	5,838		
Staff Training	7,526		
Staff Welfare	6,758		
Miscellaneous Expense	4,772		
Meals & Entertainment	32		
Automobile Expense	12,320		
Total	116,759	10,665	0

Part I - Line 20 Explanation of other changes in fund balance

Fund balance at beginning of year	161,688
Deficit for current fiscal year	(39,790)
Net Accounting adjustments made to correct Cumulative Fund Balance	<u>769</u>
Fund balance at end of year	122,667

Schedule A - Line 2b Loan explanation

In Fiscal 2002, several directors and key employees were loaned funds due to extraordinary personal circumstances. The aggregate loan balance was \$7,263 as of 8/31/03.