

# 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)

**2005**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2005 calendar year, or tax year beginning 9/1/2005, and ending 8/31/2006

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

**C** Name of organization: **ABILITY APPLE SCHOOL**  
 Number and street (or P O box if mail is not delivered to street address): **192 W DEMAREST AVE**  
 City or town: **ENGLEWOOD** State or country: **NJ** ZIP + 4: **07631**

**D** Employer identification number: **13-2769303**

**E** Telephone number: **201-871-8808**

**F** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G** Website: **www.abilityschoolnj.com**

**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 chooses to file a return, be sure to file a complete return. Some states require a complete return.

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: **545,465**

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

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

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

Revenue					
<b>1</b>	Contributions, gifts, grants, and similar amounts received:				
<b>a</b>	Direct public support	<b>1a</b>		28,203	
<b>b</b>	Indirect public support	<b>1b</b>		0	
<b>c</b>	Government contributions (grants)	<b>1c</b>		0	
<b>d</b>	Total (add lines 1a through 1c) (cash \$ <u>28,203</u> noncash \$ <u>0</u> )	<b>1d</b>		28,203	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		517,045	
<b>3</b>	Membership dues and assessments	<b>3</b>		0	
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>		217	
<b>5</b>	Dividends and interest from securities	<b>5</b>		0	
<b>6a</b>	Gross rents	<b>6a</b>			
<b>b</b>	Less: rental expenses	<b>6b</b>			
<b>c</b>	Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		0	
<b>7</b>	Other investment income (describe _____)	<b>7</b>		0	
<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
<b>b</b>	Less: cost or other basis and sales expenses	0	0	0	
<b>c</b>	Gain or (loss) (attach schedule)	0	0	0	
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>		0	
<b>9</b>	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
<b>a</b>	Gross revenue (not including \$ <u>28,203</u> of contributions reported on line 1a)	<b>9a</b>		0	
<b>b</b>	Less: direct expenses other than fundraising expenses	<b>9b</b>		0	
<b>c</b>	Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		0	
<b>10a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>		0	
<b>b</b>	Less: cost of goods sold	<b>10b</b>		0	
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		0	
<b>11</b>	Other revenue (from Part VII, line 103)	<b>11</b>		0	
<b>12</b>	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		545,465	
<b>Expenses</b>					
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>		578,456	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>		0	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>		2,714	
<b>16</b>	Payments to affiliates (attach schedule)	<b>16</b>		0	
<b>17</b>	Total expenses (add lines 16 and 44, column (A))	<b>17</b>		581,170	
<b>Net Assets</b>					
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		-35,705	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		120,557	
<b>20</b>	Other changes in net assets or fund balances (attach explanation)	<b>20</b>		10,589	
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		95,441	

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SOCIAL SERVICES

**Part II Statement of Functional Expenses**

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	98,543	98,543		
26	Other salaries and wages	177,961	177,961		
27	Pension plan contributions	0			
28	Other employee benefits	1,131	1,131		
29	Payroll taxes	21,152	21,152		
30	Professional fundraising fees	0			
31	Accounting fees	2,037	2,037		
32	Legal fees	0			
33	Supplies	26,825	26,825		
34	Telephone	2,888	2,888		
35	Postage and shipping	4,185	4,185		
36	Occupancy	56,719	56,719		
37	Equipment rental and maintenance	0			
38	Printing and publications	0			
39	Travel	6,871	6,871		
40	Conferences, conventions, and meetings	3,638	3,638		
41	Interest	0			
42	Depreciation, depletion, etc. (attach schedule)	7,446	7,446	0	0
43	Other expenses not covered above (itemize):				
a	SEE ATTACHED SPREADSHEET	171,774	169,060	0	2,714
b		0	0	0	0
c		0	0	0	0
d		0	0	0	0
e		0	0	0	0
f		0	0	0	0
g		0	0	0	0
44	<b>Total functional expenses.</b> Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	581,170	578,456	0	2,714

**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 \$ 0, (ii) the amount allocated to Program services \$ , (iii) the amount allocated to Management and general \$ , and (iv) the amount allocated to Fundraising \$



**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)		
		Beginning of year		End of year		
Assets	45	Cash—non-interest-bearing	10,599	45	18,393	
	46	Savings and temporary cash investments	90,284	46	62,567	
	47 a	Accounts receivable	47a	0		
	b	Less: allowance for doubtful accounts	47b	0	47c	0
	48 a	Pledges receivable	48a	0		
	b	Less: allowance for doubtful accounts	48b	0	48c	0
	49	Grants receivable			49	0
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		5,000	50	0
	51 a	Other notes and loans receivable (attach schedule)	51a	0		
	b	Less: allowance for doubtful accounts	51b	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	55c	0
56	Investments—other (attach schedule)		0	56	0	
57 a	Land, buildings, and equipment: basis	57a	89,478			
b	Less: accumulated depreciation (attach schedule)	57b	70,251			
58	Other assets (describe <input type="checkbox"/> See attached statement )		26,673	57c	19,227	
			4,000	58	4,000	
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58		136,556	59	104,187	
Liabilities	60	Accounts payable and accrued expenses		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)		15,999	64b	7,612
65	Other liabilities (describe <input type="checkbox"/> See attached statement )		0	65	1,134	
66	<b>Total liabilities.</b> Add lines 60 through 65		15,999	66	8,746	
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>					
	67	Unrestricted		67		
	68	Temporarily restricted		68		
	69	Permanently restricted		69		
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74</b>					
	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		120,557	72	95,441
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		120,557	73	95,441	
74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73.		136,556	74	104,187	

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line a but not on Part I, line 12:			
<b>1</b>	Net unrealized gains on investments	<b>b1</b>		
<b>2</b>	Donated services and use of facilities	<b>b2</b>		
<b>3</b>	Recoveries of prior year grants	<b>b3</b>		
<b>4</b>	Other (specify):	<b>b4</b>		0
	Add lines b1 through b4		<b>b</b>	0
<b>c</b>	Subtract line b from line a		<b>c</b>	0
<b>d</b>	Amounts included on Part I, line 12, but not on line a:			
<b>1</b>	Investment expenses not included on Part I, line 6b	<b>d1</b>		
<b>2</b>	Other (specify):	<b>d2</b>		0
	Add lines d1 and d2		<b>d</b>	0
<b>e</b>	Total revenue (Part I, line 12). Add lines c and d		<b>e</b>	0

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

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line a but not on Part I, line 17:			
<b>1</b>	Donated services and use of facilities	<b>b1</b>		
<b>2</b>	Prior year adjustments reported on Part I, line 20	<b>b2</b>		
<b>3</b>	Losses reported on Part I, line 20	<b>b3</b>		
<b>4</b>	Other (specify):	<b>b4</b>		0
	Add lines b1 through b4		<b>b</b>	0
<b>c</b>	Subtract line b from line a		<b>c</b>	0
<b>d</b>	Amounts included on Part I, line 17, but not on line a:			
<b>1</b>	Investment expenses not included on Part I, line 6b	<b>d1</b>		
<b>2</b>	Other (specify):	<b>d2</b>		0
	Add lines d1 and d2		<b>d</b>	0
<b>e</b>	Total expenses (Part I, line 17). Add lines c and d		<b>e</b>	0

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

(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 plans	(E) Expense account and other allowances
Name K REGENSBURG Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DIR/HD OF SCH Hr/WK 40	40,487	0	0
Name M LIONNI Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DEAN Hr/WK 40	33,081	0	0
Name J MARRAZZO Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title TREASURER Hr/WK 40	24,975	0	0
Name R BEATY Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DIRECTOR Hr/WK 2	0	0	0
Name D COFFINO Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DIRECTOR Hr/WK 2	0	0	0
Name P VISAGGIO Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DIRECTOR Hr/WK 2	0	0	0
Name V CHEESEBORO Str 192 W DEMAREST City ENGLEWOOD ST NJ ZIP 07631	Title DIRECTOR Hr/WK 2	0	0	0
Name _____ Str _____ City _____ ST _____ ZIP _____	Title _____ Hr/WK _____			
Name _____ Str _____ City _____ ST _____ ZIP _____	Title _____ Hr/WK _____			
Name _____ Str _____ City _____ ST _____ ZIP _____	Title _____ Hr/WK _____			

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Table with 3 columns: Question, Yes, No. Rows include questions 75a, 75b, 75c, and 75d regarding board meetings, compensation relationships, and conflict of interest policies.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions )

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Includes a row for 'NONE'.

Part VI Other Information (See the instructions )

Table with 3 columns: Question, Yes, No. Rows include questions 76, 77, 78a, 78b, 79, 80a, 81a, and 81b regarding IRS reporting, changes in documents, business income, liquidation, political expenditures, and Form 1120-POL filing.

Part VI Other Information (continued)

		Yes	No
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?		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	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b	N/A	
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	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	X
89 a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A ; section 4912 ▶ N/A ; section 4955 ▶ N/A		
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		n/a
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		n/a
90 a	List the states with which a copy of this return is filed	90b	14
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)		
91 a	The books are in care of ▶ Name JOAN MARRAZZO Telephone no. ▶ 201-871-8808 Located at ▶ 192 W DEMAREST AVE City ENGLEWOOD ST NJ ZIP + 4 ▶ 07631		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041— Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶	92	N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a TUITION & AFTER SCHOOL					505,358
b ADMINISTRATIVE & OTHER					1,140
c SERVICES					10,549
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					217
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		0	517,262
105 Total (add line 104, columns (B), (D), and (E))					517,262

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 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).
▼	

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

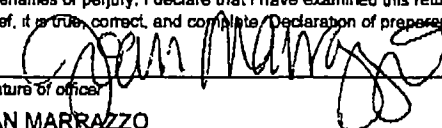
**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

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

Note: If "Yes" to (b), file Form 8670 and Form 4720 (see instructions).

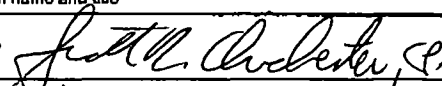
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Please Sign Here**

Signature of officer:  Date: 4/17/2007

JOAN MARRAZZO BUS. MGR  
Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature:  Date: 4/17/2007 Check if self-employed:  Preparer's SSN or PTIN (See Gen. Inst. W): 141-80-1439

Firm's name (or yours if self-employed): SCOTT R. CHICHESTER, CPA  
address, and ZIP + 4: 676A NINTH AVE, SUITE 239, NEW YORK, NY 10036  
EIN: Phone no.: 646-812-7400



**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)**

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

OMB No 1545-0047

**2005**

Department of the Treasury  
Internal Revenue Service

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

**Supplementary Information—(See separate instructions.)**

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		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total number of other employees paid over \$50,000 ▶	0			

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

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

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

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

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

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

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

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1	X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )</p>		
<p>a Sale, exchange, or leasing of property?</p>	2a	X
<p>b Lending of money or other extension of credit?</p>	2b	X
<p>c Furnishing of goods, services, or facilities?</p>	2c	X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? see part v, form 990</p>	2d	X
<p>e Transfer of any part of its income or assets?</p>	2e	X
<p>3 a Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments ) .</p>	3a	X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>	3b	X
<p>c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?</p>	3c	X
<p>4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? .</p>	4a	X
<p>b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	4b	X

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 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  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 ► \_\_\_\_\_ City \_\_\_\_\_ ST \_\_\_\_\_ Country \_\_\_\_\_
- 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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) Check the box that describes the type of supporting organization ►  Type 1  Type 2  Type 3

Provide the following information about the supported organizations (See page 6 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 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

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)					0
<b>16</b> Membership fees received					0
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					0
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					0
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	0	0	0	0	0
<b>23</b> Total of lines 15 through 22	0	0	0	0	0
<b>24</b> Line 23 minus line 17	0	0	0	0	0
<b>25</b> Enter 1% of line 23	0	0	0	0	
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>26a</b> 0
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b>
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)					<b>26c</b> 0
<b>d</b> Add: Amounts from column (e) for lines	18	19	20	21	
	0	0	0	0	
	22	26b			
	0	0			<b>26d</b> 0
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b> 0
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 0 00%
<b>27 Organizations described on line 12:</b>					
<b>a</b> 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." Do not file this list with your return. Enter the sum of such amounts for each year.	(2004)	(2003)	(2002)	(2001)	
<b>b</b> 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 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2004)	(2003)	(2002)	(2001)	
<b>c</b> Add: Amounts from column (e) for lines.	15	16	17	20	21
	0	0	0	0	0
<b>d</b> Add: Line 27a total	0				
and line 27b total		0			0
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27e</b> 0
<b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					<b>27f</b> 0
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> 0.00%
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> 0.00%
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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 ) <u>IT'S IN ALL PIECES OF PROMOTION, STATIONERY AND ON THE STUDENT CONTRACT FOR ENROLLMEN</u>	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 ) <u>32b - the school currently does not offer scholarships. The question is inapplicable.</u>		
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

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

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

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 )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount					0
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0
<b>47</b> Total lobbying expenditures					0
<b>48</b> Grassroots nontaxable amount					0
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0
<b>50</b> Grassroots lobbying expenditures					0

**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.)

Yes	No	Amount
		0

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



**Line 1 (990) - Public Support and Contributions**

	Cash	Non Cash
<b>Line 1a - Direct public support</b>		
1 Contributions . . . . .	1	1
2 Membership dues and assessments (contributions from the public) . . . . .	2	2
3 Commercial co-venture . . . . .	3	3
4 Special events contributions (Line 9 - Special Events) . . . . .	28,203	4
5 _____	5	5
6 _____	6	6
7 _____	7	7
8 _____	8	8
9 _____	9	9
10 Total . . . . .	28,203	10 0
<b>Line 1b - Indirect public support . . . . .</b>		
<b>Line 1c - Government contributions (grants) . . . . .</b>		

**Line 9 (990) - Special events and activities**

	Event A	Event B	Event C	All others	Totals
1 Special event name	GENERAL	-----	-----	-----	
	FUNDRAISING	-----	-----	-----	
1a Number of special events	-----	-----	-----	-----	
2 Gross receipts	28,203	-----	-----	-----	2 28,203
3 Less contributions	28,203	-----	-----	-----	3 28,203
4 Gross revenue	0	0	0	0	4 0
5 Less direct expenses	-----	-----	-----	-----	5 0
6 Net income or (loss)	0	0	0	0	6 0

**Line 20 (990) - Other changes in net assets or fund balances**

1 OTHER ADJUSTMENT	1 233
2 PRIOR PERIOD ADJUSTMENT (2005) TO FUND BALANCE- ACCRUAL BASIS TO CASH BASIS ADJ	2 10,356
3 -----	3
4 -----	4
5 -----	5
6 -----	6
7 -----	7
8 -----	8
9 -----	9
10 Total . . . . .	10 10,589

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

	Borrower's name	Title	Original amount	Balance due beginning of year	Balance due end of year
1	MEGAN LIONNI	DEAN	5,000	5,000	0
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14	Totals		5,000	5,000	0

	Security provided	Date of note	Maturity date	Repayment terms	Interest rate
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

	Purpose of loan	Description	FMV of consideration
1	HARDSHIP	SHORT-TERM LOAN	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			



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

Land (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	.....		
2	.....		
3	.....		
4	.....		
5	.....		
6	Total land (net of any amortization)	0	0

		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	VEHICLE				
8	FURNITURE & FIXTURES				
9	IMPROVEMENTS				
10	LIBRARY				
11	VEHICLE 2	21,197	21,197	4,239	8,479
12	COMPUTER LAB	4,572	4,572	3,032	4,556
13	PLAYGROUND	3,249	3,249	1,300	1,949
14	OFFICE SECURITY SYSTEM	6,200	6,200	1,033	2,066
15	BUILDING & EQUIPMENT - OTHER	54,260	54,260	53,201	53,201
16	.....				
17	Total buildings and equipment	89,478	89,478	62,805	70,251
18	Buildings and equipment (less accumulated depreciation)			26,673	19,227
19	Total land, buildings and equipment			26,673	19,227

Category or Item				
		Cost/Other Basis	Accumulated Depreciation	Book Value
1	.....			
2	.....			
3	.....			
4	.....			
5	.....			
6	.....			
7	.....			
8	.....			
9	.....			
10	.....			
11	Total	0	0	0

**Line 58 (990) - Other assets**

		4,000	4,000
		Beginning	End
1	SECURITY DEPOSIT - CREDIT CARD	1,000	1,000
2	SECURITY DEPOSIT - RENT	3,000	3,000
3			
4			
5			
6			
7			
8			
9			
10			

**Line 64b (990) - Mortgages and other notes payable**

	Lender's name	Check if lender is a business	Original amount	Balance due beginning of year	Balance due end of year
1	TOYOTA FINANCIAL SERVICES	<input checked="" type="checkbox"/>	18,197	15,999	7,612
19	Totals		18,197	15,999	7,612

	Purpose of loan	Description of consideration	FMV of consideration
1	PURCHASE SCHOOL VEHICLE		

**Line 65 (990) - Other liabilities**

0

1,134

		Beginning	End
1	ADVANCE PAYMENT		150
2	PAYROLL TAXES DUE		984
3			
4			
5			
6			
7			
8			
9			
10			

	(A)	(B)	(C)	(D)
	Total	Pgm Services	Mgt & Gen	Fundraising
ACTIVITIES EXPENSE	2,112	2,112		
BANK FEES	1,668	1,668		
BOOK STORE ITEM	1,500	1,500		
DONATIONS	500	500		
EVENTS EXPENSE	10,044	10,044		
EXP REIMBURSEMENTS	549	549		
FUNDRAISING	2,714	0		2,714
INSURANCE	18,272	18,272		
INTEREST EXPENSE	345	345		
LICENSE AND PERMITS	100	100		
LICENSING FEES	55,726	55,726		
MARKETING & PROMOTION	11,205	11,205		
MEMBERSHIP	1,250	1,250		
MISCELLANEOUS	4,543	4,543		
OFFICE	31,230	31,230		
PAYROLL FEES	4,027	4,027		
PETTY CASH	5,371	5,371		
REFUNDS/REIMBURSEMENTS	4,616	4,616		
REPAIRS	1,158	1,158		
UTILITIES	9,788	9,788		
AUTOMOBILE	5,057	5,057		
	<hr/>			
TOTAL	171,775	169,061	0	2,714