

Return of Organization Exempt From Income Tax

2005

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

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 **2005**, and ending **20**

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

C Name of organization
Ability School of Utah
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
913 E. Syrena Cir.
 City or town, state or country, and ZIP + 4
Sandy, Utah 84094-3032

D Employer identification number
87-0517862

E Telephone number
(801) 908-7347

F Accounting method: Cash Accrual
 Other (specify) ▶

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? **N/A** 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 Website: ▶ **N/A**

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.

I Group Exemption Number ▶ **4171**

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 the instructions.)

		(A) Securities		(B) Other			
Revenue	1 Contributions, gifts, grants, and similar amounts received:						
	a Direct public support	1a	4515.00				
	b Indirect public support	1b	0				
	c Government contributions (grants)	1c	0				
	d Total (add lines 1a through 1c) (cash \$ 4515.00 noncash \$)	1d					4515.00
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2					161175.00
	3 Membership dues and assessments	3					0
	4 Interest on savings and temporary cash investments	4					0
	5 Dividends and interest from securities	5					0
	6a Gross rents	6a	0				
	b Less: rental expenses	6b	0				
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c					0
7 Other investment income (describe ▶)	7					0	
Revenue	8a Gross amount from sales of assets other than inventory		0		0		
	b Less: cost or other basis and sales expenses		0		0		
	c Gain or (loss) (attach schedule)		0		0		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d					0
	9 Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>						
	a Gross revenue (not including \$ 300.00 of contributions reported on line 1a)	9a		13900.00			
b Less: direct expenses other than fundraising expenses	9b		4215.00				
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c					9685.00	
Revenue	10a Gross sales of inventory, less returns and allowances	10a	0				
	b Less: cost of goods sold	10b	0				
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c					0
11 Other revenue (from Part VII, line 103)	11					0	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12					175375.00	
Expenses	13 Program services (from line 44, column (B))	13					173591.00
	14 Management and general (from line 44, column (C))	14					9811.00
	15 Fundraising (from line 44, column (D))	15					100.00
	16 Payments to affiliates (attach schedule)	16					0
	17 Total expenses (add lines 13 and 14, column (A))	17					183502.00
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18					(8127.00)
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19					(39157.00)
	20 Other changes in net assets or fund balances (attach explanation)	20					0
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21					(47284.00)

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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 \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23	Specific assistance to individuals (attach schedule)	23				
24	Benefits paid to or for members (attach schedule)	24				
25	Compensation of officers, directors, etc.	25	18288.00	12788.00	5500.00	
26	Other salaries and wages	26	18816.00	16317.00	2499.00	
27	Pension plan contributions	27				
28	Other employee benefits	28				
29	Payroll taxes	29	2838.00	2226.00	612.00	
30	Professional fundraising fees	30				
31	Accounting fees	31	150.00	150.00		
32	Legal fees	32				
33	Supplies	33	34347.00	33348.00	999.00	
34	Telephone	34	1376.00	1225.00	151.00	
35	Postage and shipping	35	3500.00	3350.00	50.00	
36	Occupancy	36	72099.00	72099.00	100.00	
37	Equipment rental and maintenance	37				
38	Printing and publications	38	960.00	960.00		
39	Travel	39				
40	Conferences, conventions, and meetings	40				
41	Interest	41	227.00	227.00		
42	Depreciation, depletion, etc. (attach schedule)	42	963.00	963.00		
43	Other expenses not covered above (itemize):					
a	Advertising	43a	15245.00	15245.00		
b	License Fees	43b	11405.00	11405.00		
c	Field Trips	43c	2848.00	2848.00		
d	Commission	43d	440.00	440.00		
e		43e				
f		43f				
g		43g				
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	183502.00	173591.00	9811.00	100.00

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 the instructions.)

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

What is the organization's primary exempt purpose? ▶ Education	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a 50 students K - 12 with 90% of students reading above grade level and 50% doing math above grade level, drop-outs rescued. _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	173591.00
b _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
c _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
d _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ▶	173591.00

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	1104.00	45	414.00	
	46 Savings and temporary cash investments	5	46	0	
	47a Accounts receivable				
	47b Less: allowance for doubtful accounts	21096.00	47c	19773.00	
	48a Pledges receivable				
	48b Less: allowance for doubtful accounts		48c		
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a Other notes and loans receivable (attach schedule)				
	51b Less: allowance for doubtful accounts		51c		
	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		54		
	55a Investments—land, buildings, and equipment: basis				
	55b Less: accumulated depreciation (attach schedule)		55c		
	56 Investments—other (attach schedule)		56		
	57a Land, buildings, and equipment: basis	6738.00			
	57b Less: accumulated depreciation (attach schedule)	5296.00	2405.00	57c	1442.00
	58 Other assets (describe ▶)			58	
59 Total assets (must equal line 74). Add lines 45 through 58.	24610.00	59	21629.00		
Liabilities	60 Accounts payable and accrued expenses	908.00	60	4593.00	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	57132.00	63	64320.00	
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	64b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ▶)	5726.00	65		
66 Total liabilities. Add lines 60 through 65	63766.00	66	68913.00		
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 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	(39157.00)	72	(47284.00)	
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)	(39157.00)	73	(47284.00)		
74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	24609.00	74	21629.00		

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

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

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

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

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

(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
Dawn Gordon 1161 West 2320 South WVC, UT 84119	President 3hrs, Exec. Dir 40hrs.	-0-, 11888.00	-0-	-0-
Phil Parke 1161 West 2320 South WVC, UT 84119	Vice Pres. 0hrs.	-0-	-0-	-0-
Lora Mengucci 1161 West 2320 South WVC, UT 84119	Officer 0hrs.	-0-	-0-	-0-
Gairia Taufer 1161 West 2320 South WVC, UT 84119	Sec/Treas. 0hrs, Exec Sec 40hrs	-0-, 6400.00	-0-	-0-

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

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 4
75b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)
75c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? Note. Related organizations include section 509(a)(3) supporting organizations. If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
75d Does the organization have a written conflict of interest policy?

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. Row 1: None

Part VI Other Information (See the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
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
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If "Yes," has it filed a tax return on Form 990-T for this year? N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement
80a 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?
80b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt
81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0
81b Did the organization file Form 1120-POL for this year?

Part VI Other Information (continued)

Yes No

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82a Yes No

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 Yes No

83a Did the organization comply with the public inspection requirements for returns and exemption applications? 83a Yes No

b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 83b Yes No

84a Did the organization solicit any contributions or gifts that were not tax deductible? 84a Yes No

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 Yes No

85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A Yes No

b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A Yes No

c "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 N/A Yes No

d Section 162(e) lobbying and political expenditures 85d N/A Yes No

e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A Yes No

f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A Yes No

g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A Yes No

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 N/A Yes No

86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a N/A Yes No

b Gross receipts, included on line 12, for public use of club facilities 86b N/A Yes No

87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A Yes No

b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A Yes No

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 Yes No

89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0; section 4912 0; section 4955 0

b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b Yes No

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

90a List the states with which a copy of this return is filed N/A

b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.) 90b 3

91a The books are in care of Dawn Gordon Telephone no. (801) 908-7347
 Located at 913 E. Syrena Circle, Sandy Utah ZIP + 4 84094-3032

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)? 91b Yes No

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.

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No

If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 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					161175.00
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					
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	9685.00	
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		9685.00	165960.00
105 Total (add line 104, columns (B), (D), and (E))					170860.00

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).
93A	This 501 (c) 3 organization operates a school K - 12. Tuition and fees are charged to provide students with a quality education and to furnish them with proper materials etc

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	%			
	%			
	%			
	%			

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

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

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

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: Dawn Gordon Date: 19 Nov. 06

Type or print name and title: Dawn Gordon Exec. Dir.

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's SSN or PTIN (See Gen. Inst. W): _____

EIN: _____ Phone no: _____

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**

Name of the organization

Ability School of Utah

Employer identification number

87 : 0517862

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-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services . ▶

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of other contractors receiving over \$50,000 for other services . ▶

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

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

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 ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and 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.

Table with columns for Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

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?	✓	
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?	✓	
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.) Yes we publicized through the Salt Lake Tribune and Deseret News.	✓	
32a	Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff?	✓	
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	✓	
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	✓	
32d	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.)			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		✓
b	Admissions policies?		✓
c	Employment of faculty or administrative staff?		✓
d	Scholarships or other financial assistance?		✓
e	Educational policies?		✓
f	Use of facilities?		✓
g	Athletic programs?		✓
h	Other extracurricular activities?		✓
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?		✓
34b	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.		✓
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	✓	

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)

N/A

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

Limits on Lobbying Expenditures

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

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

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
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 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:	Yes	No	Amount
a Volunteers		✓	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		✓	
c Media advertisements		✓	0
d Mailings to members, legislators, or the public		✓	0
e Publications, or published or broadcast statements		✓	0
f Grants to other organizations for lobbying purposes		✓	0
g Direct contact with legislators, their staffs, government officials, or a legislative body		✓	0
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		✓	0
i Total lobbying expenditures (Add lines c through h.)			0

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

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?

Table with columns: Question, Yes, No. Rows include: Transfers from the reporting organization to a noncharitable exempt organization of: (i) Cash, (ii) Other assets; 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; 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:

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52a 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:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Ability School of Utah
EIN 87-0517862
Form 990, Line 57b

Ability School of Utah
Depreciation Schedule
As of December 31st 2005

	Furniture/Fixtures	Total
Asset balance end of 2004	\$6738.00	\$6738.00
Acquired 2005	\$0.00	\$0.00
Total Asset Amount	<u>\$6738.00</u>	<u>\$6738.00</u>
Depreciation 2005*	\$963.00	\$963.00
Total Depreciation 2005	<u>\$963.00</u>	<u>\$963.00</u>
Asset Balance	\$6738.00	\$6738.00
Less accumulated depreciation	\$4333.00	\$4333.00
Less current year depreciation	\$963.00	\$963.00
Total Asset Balance	<u>\$1442.00</u>	<u>\$1442.00</u>

*This amount was calculated using straight-line 7 year, half year convention for the first year of service which was 2000.

Ability School of Utah
EIN 87-0517862
Form 990, Line 63, Loans from Officers
Also, Schedule A, pg. 2. Line 2b

Lenders Name:	Dawn Gordon
Original Amount:	\$68,000.00
Balance Due:	\$64320.50
Date of Note:	Jan-99
Maturity Date:	5 years
Repayment Terms:	\$500.00 or more per month until paid in full
Interest Rate:	Waived
Security Provided:	None
Purpose:	Remodel building, operating expenses
Consideration:	Cash

The IRS prescribed "blended annual rate" for this loan is 4.94%, which is the rate of imputed interest (deemed foregone interest). The imputed benefit to the organization is \$2,888.07, which is 4.94% of the average of the beginning and year-end loan balances.

During the year an additional \$10,500.00 was loaned to the school by the above Officer at the same terms. This accounts for the increase in the balance due over fiscal year 2005.

Ability School of Utah
Statement for form 990 Part V-A, number 75b
EIN 87-0517862
Form 990 2005

Officers Phil Parke and Lora Mengucci are married.

**Ability School of Utah
Fundraising Worksheet
2005**

EIN-87-0517862
Form 990-2005

	<u>Spagetti Dinner</u>	<u>Fundraising Party</u>	<u>Flower Bulbs</u>	<u>Golf Tournament</u>	<u>Total</u>
Gross	1,200.00	4,050.00	1,500.00	7,450.00	14,200.00
Contribution	300.00	0.00	0.00	0.00	300.00
Gross Revenue	900.00	4,050.00	1,500.00	7,450.00	13,900.00
Direct Expense	<u>120.00</u>	<u>1,030.00</u>	<u>765.00</u>	<u>2,300.00</u>	<u>4,215.00</u>
Net	\$780.00	\$3,020.00	\$735.00	\$5,150.00	\$9,685.00

Ability School of Utah
Balance Sheet
12/31/2005

Assets

Checking	\$413.42
Accounts Receivable	\$19773.37
Furniture & Fixtures	\$6738.00
Accum. Depreciation	(5296.00)
Assets	<u>\$21,628.79</u>

Total Assets **\$21,628.79**

Liabilities

Accounts Payable	\$4592.75
Loans Payable	
Loan from Officer	\$64320.50
Liabilities	<u>\$68913.25</u>

Equity

Current Earnings	(8127.46)
Retained Earnings	<u>(39157.00)</u>
Equity	<u>(47,284.46)</u>

Total Liability/Equity **\$21,628.79**

**Ability School of Utah
Profit & Loss
January through December 2005**

Income	
Tuition	\$161,175.44
Fundraising	\$9,685.00
Donations	\$4,515.00
Total Income	\$175,375.44
Expenses	
Rent	\$54,148.43
Materials/Books	\$16,695.85
License Fees	\$11,404.74
Arts/Crafts/Fieldtrips	\$2,847.98
Supplies	\$17,651.85
Telephone	\$1,375.99
Insurance	\$1,783.48
Advertising	\$15,244.70
Utilities	\$16,167.17
Depreciation	\$963.00
FSM	\$440.00
Interest Expense	\$226.82
Postage/Shipping/Delivery	\$3,500.43
Printing/Copying	\$960.00
Professional Fees	\$150.00
Total Expenses	\$143,560.44
Payroll	
Gross Payroll	\$37,104.00
Payroll Taxes	\$2,838.46
Payroll Total	\$39,942.46
Total Expenses	\$183,502.90
Net Income	-\$8,127.46

Ability School of Utah
Accounts Receivable
As of December 31st 2005

Behunin, Thomas	\$800.00
Fordham, Vivian	\$1866.12
Leonhardt, Chyme	\$325.00
Markovich, JoAva	\$4445.25
Markovich, Laura	\$1292.00
Moffitt, Brooke	\$150.00
Plaskett, Lee	\$8945.00
Twelves, Julie	<u>\$1950.00</u>
Total	\$19773.37

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box **Note** Complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Ability School of Utah	Employer identification number 87 : 0517862
	Number, street, and room or suite no. If a P.O. box, see instructions. 913 E. Syrena Cir.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Sandy, Utah 84094	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of Elizabeth Julio
Telephone No. (801) 908-7347 FAX No. (801) 908-7348
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until November 15, 20 06.
- 5 For calendar year 2005, or other tax year beginning _____, 20____, and ending _____, 20_____.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension To allow for further review by our accountant.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalty of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature [Signature] Title Bus. Manager Date 5 Aug 06

Notice to Applicant—To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested
- Other _____

Director _____ By _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)

