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Form **990**

**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)

**2008**  
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 2008 calendar year, or tax year beginning July 1, 2008, and ending June 30, 20 09

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

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

**C** Name of organization Welsh Hills School  
 Doing Business As \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
2610 Newark-Granville Rd  
 City or town, state or country, and ZIP + 4  
Granville OH 43023

**D** Employer identification number  
31 0967486  
**E** Telephone number  
 ( 740 ) 522-2020  
**G** Gross receipts \$ 790133

**F** Name and address of principal officer: Laura Brown  
 Same as C above

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

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

**J** Website: www.welsh-hills.org

**H(c)** Group exemption number           

**K** Type of organization:  Corporation  Trust  Association  Other            **L** Year of formation: 1979 **M** State of legal domicile: OH

**Part I Summary**

<b>1</b> Briefly describe the organization's mission or most significant activities: <u>Independent Education for children ages 18 months to 14 years.</u>			
<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.			
<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<u>3</u>	<u>6</u>	
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<u>4</u>	<u>6</u>	
<b>5</b> Total number of employees (Part V, line 2a)	<u>5</u>	<u>34</u>	
<b>6</b> Total number of volunteers (estimate if necessary)	<u>6</u>	<u>15</u>	
<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<u>7a</u>	<u>0</u>	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<u>7b</u>	<u>0</u>	
		<b>Prior Year</b>	<b>Current Year</b>
<b>8</b> Contributions and grants (Part VIII, line 1h)		<u>261099</u>	<u>208692</u>
<b>9</b> Program service revenue (Part VIII, line 2g)		<u>604865</u>	<u>579641</u>
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)		<u>2559</u>	<u>1800</u>
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6a, 8c, 9c, 10c, and 11e)		<u>53042</u>	<u>0</u>
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)		<u>921565</u>	<u>790133</u>
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)		<u>55973</u>	<u>60305</u>
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		<u>0</u>	<u>0</u>
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		<u>549903</u>	<u>518925</u>
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		<u>0</u>	<u>0</u>
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	<u>502</u>		
<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		<u>283529</u>	<u>263136</u>
<b>18</b> Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)		<u>889405</u>	<u>842366</u>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12		<u>32160</u>	<u>-52233</u>
		<b>Beginning of Year</b>	<b>End of Year</b>
<b>20</b> Total assets (Part X, line 16)		<u>2277528</u>	<u>2197429</u>
<b>21</b> Total liabilities (Part X, line 26)		<u>1121704</u>	<u>1093838</u>
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20		<u>1155824</u>	<u>1103591</u>

**Part II Signature Block**

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.

**Sign Here**  
 Signature of officer: Laura E. Brown Date: 2-12-10  
 Type or print name and title: Laura E. Brown Interim Head of School

**Paid Preparer's Use Only**  
 Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Check if self-employed  Preparer's identifying number (see instructions) \_\_\_\_\_  
 Firm's name (or yours if self-employed), address, and ZIP + 4: \_\_\_\_\_ EIN: \_\_\_\_\_  
 Phone no.: \_\_\_\_\_

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

**Part III Statement of Program Service Accomplishments (see instructions)**

1 Briefly describe the organization's mission:

To provide children, during the critical years of their development, with a personalized education that creates a strong academic foundation, builds self-esteem, develops character and promotes a lifelong love of learning.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 656720 including grants of \$ 60305 ) (Revenue \$ 581441 )  
independent education for toddlers to grade 8- 55 students served.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O.)  
(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ► \$ 656720 (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No	
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	1	✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors? . . . . .	2	✓	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	3		✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II . . . . .	4		✓
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III . . . . .	5		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	6		✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . . .	7		✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	8		✓
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	9		✓
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .	10		✓
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable . . . . .	11	✓	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII . . . . .	12	✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	13	✓	
14a Did the organization maintain an office, employees, or agents outside of the U.S.? . . . . .	14a		✓
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I . . . . .	14b		✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II . . . . .	15		✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III . . . . .	16		✓
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I . . . . .	17		✓
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	18	✓	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	19		✓
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . . . .	20		✓
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .	21		✓
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .	22	✓	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J . . . . .	23		✓
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25. . . . .	24a		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I . . . . .	25a		✓
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I . . . . .	25b		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II . . . . .	26		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III . . . . .	27		✓

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .		✓
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .		✓
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .		✓
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .		✓
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .		✓
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . . . .		✓
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .		✓
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .		✓
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI . . . . .		✓

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1a	6		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2a	34		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	✓	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		✓
b	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.		
4a			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		✓
5b			
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
5c			
6a	Did the organization solicit any contributions that were not tax deductible?		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
6b			
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		✓
7a			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		✓
7c			
d	If "Yes," indicate the number of Forms 8282 filed during the year		
7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		✓
7e			
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		✓
7f			
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
7h			
8	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
8			
9	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
a	Did the organization make any taxable distributions under section 4966?		
9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
9b			
10	<b>Section 501(c)(7) organizations.</b> Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	

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

**Section A. Governing Body and Management**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

	Yes	No
1a Enter the number of voting members of the governing body . . . . .		
1b Enter the number of voting members that are independent . . . . .		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .		<input checked="" type="checkbox"/>
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .		<input checked="" type="checkbox"/>
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .		<input checked="" type="checkbox"/>
5 Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .		<input checked="" type="checkbox"/>
6 Does the organization have members or stockholders? . . . . .		<input checked="" type="checkbox"/>
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .		<input checked="" type="checkbox"/>
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .		
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body? . . . . .	<input checked="" type="checkbox"/>	
b Each committee with authority to act on behalf of the governing body? . . . . .	<input checked="" type="checkbox"/>	
9a Does the organization have local chapters, branches, or affiliates? . . . . .		<input checked="" type="checkbox"/>
9b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .		
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . .		<input checked="" type="checkbox"/>
11 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .		<input checked="" type="checkbox"/>

**Section B. Policies**

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<input checked="" type="checkbox"/>	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<input checked="" type="checkbox"/>	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .		<input checked="" type="checkbox"/>
13 Does the organization have a written whistleblower policy? . . . . .	<input checked="" type="checkbox"/>	
14 Does the organization have a written document retention and destruction policy? . . . . .	<input checked="" type="checkbox"/>	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a The organization's CEO, Executive Director, or top management official? . . . . .	<input checked="" type="checkbox"/>	
b Other officers or key employees of the organization? . . . . .		<input checked="" type="checkbox"/>
Describe the process in Schedule O. (see instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		<input checked="" type="checkbox"/>
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .		

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **OH** . . . . .
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Tina Reynolds, Welsh Hills School, 2610 Newark-Granville Rd., Granville OH 43023, 740-522-2020** . . . . .





**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . . . .	1a 0				
	b Membership dues . . . . .	1b 0				
	c Fundraising events . . . . .	1c 43954				
	d Related organizations . . . . .	1d 0				
	e Government grants (contributions). . . . .	1e 28428				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 136310				
	g Noncash contributions included in lines 1a-1f: \$ . . . . .					
	h Total. Add lines 1a-1f . . . . .		208692			
Program Service Revenue	2a Tuition & Related Revenue . . . . .	Business Code 611600	579641	579641		
	b . . . . .					
	c . . . . .					
	d . . . . .					
	e . . . . .					
	f All other program service revenue . . . . .					
	g Total. Add lines 2a-2f . . . . .		579641			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) . . . . .		1800	1800		
	4 Income from investment of tax-exempt bond proceeds . . . . .		0			
	5 Royalties . . . . .		0			
	6a Gross Rents . . . . .	(i) Real				
		(ii) Personal				
		b Less: rental expenses . . . . .				
		c Rental income or (loss) . . . . .				
	d Net rental income or (loss) . . . . .		0			
	7a Gross amount from sales of assets other than inventory . . . . .	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses . . . . .				
		c Gain or (loss) . . . . .				
	d Net gain or (loss) . . . . .		0			
	8a Gross income from fundraising events (not including \$ 43954 of contributions reported on line 1c). See Part IV, line 18 . . . . .	a	6507			
		b Less: direct expenses . . . . .	b 6507			
c Net income or (loss) from fundraising events . . . . .			0			
9a Gross income from gaming activities. See Part IV, line 19 . . . . .	a					
	b Less: direct expenses . . . . .	b				
	c Net income or (loss) from gaming activities . . . . .		0			
10a Gross sales of inventory, less returns and allowances . . . . .	a					
	b Less: cost of goods sold . . . . .	b				
	c Net income or (loss) from sales of inventory . . . . .		0			
Miscellaneous Revenue		Business Code				
11a . . . . .						
	b . . . . .					
	c . . . . .					
	d All other revenue . . . . .					
e Total. Add lines 11a-11d . . . . .						
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .		790133	581441			

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	60305	60305		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	0	0	0	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	451765	314814	136951	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8379	5424	2955	0
9	Other employee benefits	22942	14403	8539	0
10	Payroll taxes	35839	24044	11795	0
11	Fees for services (non-employees):				
a	Management	0	0	0	0
b	Legal	0	0	0	0
c	Accounting	3600	0	3600	0
d	Lobbying	0	0	0	0
e	Professional fundraising services. See Part IV, line 17	0	0	0	0
f	Investment management fees	0	0	0	0
g	Other	1363	1363	0	0
12	Advertising and promotion	9924	8480	942	502
13	Office expenses	5548	4993	555	
14	Information technology	10338	10338	0	0
15	Royalties	0	0	0	0
16	Occupancy	113685	102317	11368	0
17	Travel	0	0	0	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	0	0	0	0
20	Interest	1819	1637	182	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	54440	48996	5444	0
23	Insurance	10483	9435	1048	0
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Curricular Materials	23080	23080	0	0
b	Special programs & speakers	4632	4632	0	0
c	Continuing Education	3669	3544	125	0
d	Student Transportation & Food	4151	4151	0	0
e	Dues & Subscriptions	5274	4747	527	0
f	All other expenses Misc	11130	10017	1113	0
25	Total functional expenses. Add lines 1 through 24f	842366	656720	185144	502
26	Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing . . . . .	760	1	1270
	2	Savings and temporary cash investments . . . . .	299352	2	278431
	3	Pledges and grants receivable, net . . . . .	7620	3	0
	4	Accounts receivable, net . . . . .	21482	4	13565
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .	0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .	0	6	0
	7	Notes and loans receivable, net . . . . .	0	7	0
	8	Inventories for sale or use . . . . .	0	8	0
	9	Prepaid expenses and deferred charges . . . . .	1066	9	2445
	10a	Land, buildings, and equipment: cost basis <b>10a</b> 2699695			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D <b>10b</b> 797977	1947248	<b>10c</b>	1901718
	11	Investments—publicly traded securities . . . . .	0	11	0
	12	Investments—other securities. See Part IV, line 11 . . . . .	0	12	0
	13	Investments—program-related. See Part IV, line 11 . . . . .	0	13	0
	14	Intangible assets . . . . .	0	14	0
	15	Other assets. See Part IV, line 11 . . . . .	0	15	0
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	2277528	16	2197429	
Liabilities	17	Accounts payable and accrued expenses . . . . .	57994	17	70143
	18	Grants payable . . . . .	0	18	0
	19	Deferred revenue . . . . .	285930	19	261856
	20	Tax-exempt bond liabilities . . . . .	0	20	0
	21	Escrow account liability. Complete Part IV of Schedule D . . . . .	0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .	777780	23	661839
	24	Unsecured notes and loans payable . . . . .	0	24	100000
	25	Other liabilities. Complete Part X of Schedule D . . . . .	0	25	0
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	1121704	26	1093838
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>				
	27	Unrestricted net assets . . . . .	1053461	27	1001228
	28	Temporarily restricted net assets . . . . .	102363	28	102363
	29	Permanently restricted net assets . . . . .	0	29	0
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
	30	Capital stock or trust principal, or current funds . . . . .		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
	33	<b>Total net assets or fund balances</b> . . . . .		33	
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .		34	

**Part XI Financial Statements and Reporting**

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .
- b Were the organization's financial statements audited by an independent accountant? . . . . .
- c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b If "Yes," did the organization undergo the required audit or audits? . . . . .

	Yes	No
2a		✓
2b	✓	
2c		✓
3a		✓
3b		

SCHEDULE A (Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2008

Open to Public Inspection

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization

Welsh Hills School

Employer identification number

31 0967486

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9 An organization that normally receives: (1) more than 33% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
a Type I b Type II c Type III-Functionally integrated d Type III-Other
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?

Table with 2 columns: Yes, No. Rows for 11g(i), 11g(ii), 11g(iii).

h Provide the following information about the organizations the organization supports.

Table with 7 main columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support. Sub-columns for Yes/No for (iv), (v), and (vi).

Total

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
4 Total. Add lines 1-3 . . . . .						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
6 Public support. Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4 . . . . .						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
11 Total support. Add lines 7 through 10 . . . . .						
12 Gross receipts from related activities, etc. (see instructions) . . . . .					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . .	15	%
16a 33 1/3 % support test—2008. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ▶ <input type="checkbox"/>		
b 33 1/3 % support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3 % support tests—2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3 % support tests—2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Welsh Hills School

Employer identification number

31 0967486

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors...?, 6 Did the organization inform all grantees...?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Year. Rows include: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a-2d if the organization held a qualified conservation contribution, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?, 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
(i) Revenues included in Form 990, Part VIII, line 1
(ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
a Revenues included in Form 990, Part VIII, line 1
b Assets included in Form 990, Part X

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other .....
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.**

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.**

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ .....%
  - b Permanent endowment ▶ .....%
  - c Term endowment ▶ .....%
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations   | 3a(i)  |    |
| (ii) related organizations  | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.**

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	207454		207454
b Buildings	0	2011926	556585	1455341
c Leasehold improvements	0	0	0	0
d Equipment	0	139080	132662	6418
e Other	0	341235	108730	232505
<b>Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)</b>				<b>1901718</b>



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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	790133
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	842366
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-52233
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net). Add lines 4-8	9	0
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-52233

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	790133
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	790133
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	790133

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

1	Total expenses and losses per audited financial statements	1	842366
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Losses reported on Form 990, Part IX, line 25	2c	0
d	Other (Describe in Part XIV)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	842366
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	842366

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

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SCHEDULE E (Form 990 or 990-EZ)

Schools

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Name of the organization

Welsh Hills School

Employer identification number

31 0967486

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. <u>All newspaper ads contain language about our racially nondiscriminatory policy.</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Admissions policies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Employment of faculty or administrative staff?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Scholarships or other financial assistance?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Educational policies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f Use of facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g Athletic programs?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6a Does the organization receive any financial aid or assistance from a governmental agency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events	
		Auction (event type)	None (event type)	None (total number)	(Add col. (a) through col. (c))	
Revenue	1	Gross receipts . . . . .	43018		43018	
	2	Less: Charitable contributions . . . . .	6605		6605	
	3	Gross revenue (line 1 minus line 2) . . . . .	36413		36413	
Direct Expenses	4	Cash prizes . . . . .	1000		1000	
	5	Non-cash prizes . . . . .				
	6	Rent/facility costs . . . . .				
	7	Other direct expenses . . . . .	2759		2759	
	8	Direct expense summary. Add lines 4 through 7 in column (d) . . . . . ▶				( 3759 )
	9	Net income summary. Combine lines 3 and 8 in column (d) . . . . . ▶				32654

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))	
Revenue	1	Gross revenue . . . . .				
Direct Expenses	2	Cash prizes . . . . .				
	3	Non-cash prizes . . . . .				
	4	Rent/facility costs . . . . .				
	5	Other direct expenses . . . . .				
	6	Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary. Add lines 2 through 5 in column (d) . . . . . ▶				( )
	8	Net gaming income summary. Combine lines 1 and 7 in column (d) . . . . . ▶				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states? . . . . .	9a	
b If "No," Explain: _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," Explain: _____		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

		Yes	No		
<b>13</b>	Indicate the percentage of gaming activity operated in:				
<b>a</b>	The organization's facility . . . . . <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px;">13a</td><td style="width: 50px;">%</td></tr></table>	13a	%		
13a	%				
<b>b</b>	An outside facility . . . . . <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="width: 50px;">13b</td><td style="width: 50px;">%</td></tr></table>	13b	%		
13b	%				
<b>14</b>	Provide the name and address of the person who prepares the organization's gaming/special events books and records:				
	Name ▶ .....				
	Address ▶ .....				
<b>15a</b>	Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .	15a			
<b>b</b>	If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ ..... and the amount of gaming revenue retained by the third party ▶ \$ .....				
<b>c</b>	If "Yes," enter name and address:				
	Name ▶ .....				
	Address ▶ .....				
<b>16</b>	Gaming manager information:				
	Name ▶ .....				
	Gaming manager compensation ▶ \$ .....				
	Description of services provided ▶ .....				
	<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor				
<b>17</b>	Mandatory distributions:				
<b>a</b>	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .	17a			
<b>b</b>	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ .....				

CISFY7YL8V

SCHEDULE I (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization Welsh Hills School

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

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

OMB No. 1545-0047

2008

Open to Public Inspection

Employer identification number 31 0967486

Part I General information on grants and assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

Table with 7 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance.

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



CISFY7YL8V

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization

Welsh Hills School

Employer identification number

31 : 0967486

Part VI, Line 15a- Board of Trustees recruits, hires and sets salary for Head of School.

Part VI, Line 18- Copies of Form 990 are available upon written request to the Business Manager. It is also available on the website- [guldestar.org](http://guldestar.org).