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Return of Organization Exempt From Income Tax

2008

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

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 07/01, 2008, and ending 06/30, 2009

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <u>THE NORA SCHOOL, INC.</u> Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite <u>955 SLIGO AVENUE</u> City or town, state or country, and ZIP + 4 <u>SILVER SPRING, MD 20910</u>	D Employer identification number <u>52-1036230</u>
		E Telephone number <u>(301) 495-6672</u>
		G Gross receipts \$ <u>1,237,858.</u>
		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (<u>3</u>) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	J Website: ▶ <u>N/A</u>	
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation <u>1964</u>	M State of legal domicile <u>DC</u>

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>WE ARE A SMALL COLLEGE PREPARATORY HIGH SCHOOL WITH A MISSION TO NURTURE AND EMPOWER BRIGHT STUDENTS WHO HAVE NOT REALIZED THEIR POTENTIAL IN OTHER SETTINGS.</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	<u>10</u>
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	<u>8</u>
	5 Total number of employees (Part V, line 2a)	5	<u>17</u>
	6 Total number of volunteers (estimate if necessary)	6	
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	<u>61,797.</u>	<u>62,541.</u>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>1,171,677.</u>	<u>1,139,737.</u>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>65,493.</u>	<u>35,580.</u>
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>1,298,967.</u>	<u>1,237,858.</u>
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
14 Benefits paid to or for members (Part IX, column (A), line 4)			<u>NONE</u>
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		<u>789,161.</u>	<u>839,209.</u>
16a Professional fundraising fees (Part IX, column (A), line 11e)			<u>NONE</u>
b Total fundraising expenses, Part IX, column (D), line 25			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<u>392,237.</u>	<u>273,975.</u>	
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>1,181,398.</u>	<u>1,113,184.</u>	
19 Revenue less expenses Subtract line 18 from line 12	<u>117,569.</u>	<u>124,674.</u>	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	<u>2,910,976.</u>	<u>2,988,981.</u>
	22 Net assets or fund balances Subtract line 21 from line 20	<u>1,012,453.</u>	<u>965,784.</u>

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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: Mara Y. Nicastro Date: 12/9/2009
 Type or print name and title: Mara Nicastro, Assistant Head

Paid Preparer's Use Only
 Preparer's signature: [Signature] Date: 11/13/09 Check if self-employed:
 Preparer's identifying number (see instructions): P00525797
 Firm's name (or yours if self-employed), address, and ZIP + 4: REZNICK GROUP, P. C. 7700 OLD GEORGETOWN ROAD, SUITE 400 BETHESDA, MD 20814-6224
 EIN: 52-1088612 Phone no: 301-652-9100

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SCANNED JAN 07 2010

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

SEE STATEMENT 1

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 \$ 1,010,275 including grants of \$ NONE) (Revenue \$ 1,139,737)

THE NORA SCHOOL IS A COLLEGE PREPARATORY HIGH SCHOOL FOR AT-RISK STUDENTS.

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 ► \$ 1,010,275. (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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Sections 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? <i>If "Yes," complete Schedule C, Part III</i>	N/A	
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? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
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? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
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? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
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.? <i>If "Yes," complete Schedule F, Part I</i>		X
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? <i>If "Yes," complete Schedule F, Part II</i>		X
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? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>		X
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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	N/A	
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?	N/A	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	N/A	
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? <i>If "Yes," complete Schedule L, Part I</i>		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
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? <i>If "Yes," complete Schedule L, Part II</i>		X
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? <i>If "Yes," complete Schedule L, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37	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? <i>If "Yes," complete Schedule R, Part VI</i>	37	X

Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, description, and Yes/No responses. Includes questions 1a through 12a regarding IRS filings, Form 990-T, and charitable trusts.

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, process, or changes in Schedule O See instructions.

Table with 11 rows of questions and 3 columns: Question, Yes, No. Includes sub-questions 1a, 1b, 7a, 7b, 8a, 8b, 9a, 9b, 10, 11.

Section B. Policies

Table with 12 rows of questions and 3 columns: Question, Yes, No. Includes sub-questions 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
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.
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.

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DAVID MULLEN HEAD OF SCHOOL	40.	X		X				113,125.	NONE	3,394.
ELAINE MACK MEMBER	1.	X						NONE	NONE	NONE
MARA NICASTRO ASSISTANT HEAD	40.	X		X				87,125.	NONE	2,614.
HEDY SZANZER FACULTY REPRESENT	1.	X						NONE	NONE	NONE
MATT HARRE MEMBER	1.	X						NONE	NONE	NONE
VAL WISE MEMBER	1.	X						NONE	NONE	NONE
GERARD WIDDICOMBE CHAIR EMERITUS	1.			X				NONE	NONE	NONE
JAMES KRAFT VICE CHAIR	1.			X				NONE	NONE	NONE
BEAU KAPLAN CHAIR	1.			X				NONE	NONE	NONE
ROBERT HERMAN TREASURER	1.			X				NONE	NONE	NONE

Part VIII Statement of Revenue

52-1036230

			(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	1 a	Federated campaigns 1 a					
	b	Membership dues 1 b					
	c	Fundraising events 1 c					
	d	Related organizations 1 d					
	e	Government grants (contributions) 1 e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1 f	62,541				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f ▶	62,541				
Program Service Revenue	2 a	EDUCATION SERVICES	1,139,737.	1,139,737.			
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶	1,139,737.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) \$TMT. 2 . . . ▶	35,580			35,580	
	4	Income from investment of tax-exempt bond proceeds . . . ▶	NONE				
	5	Royalties ▶	NONE				
	6 a	Gross Rents	(i) Real				
		Less rental expenses	(ii) Personal				
		c Rental income or (loss)					
	d	Net rental income or (loss) ▶		NONE			
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
		Less cost or other basis and sales expenses	(ii) Other				
		c Gain or (loss)					
		d Net gain or (loss) ▶			NONE		
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events ▶			NONE		
	9 a	Gross income from gaming activities See Part IV, line 19 a					
b	Less direct expenses b						
c	Net income or (loss) from gaming activities ▶			NONE			
10 a	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 ▶			NONE			
Miscellaneous Revenue		Business Code					
11 a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶			NONE			
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		1,237,858.	1,139,737.		35,580.	

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 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	200,250.	150,188.	44,055.	6,007.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	530,143.	506,230.		23,913.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions). . .	18,106.	16,603.	1,503.	
9 Other employee benefits	32,369.	29,105.	1,970.	1,294.
10 Payroll taxes	58,341.	52,458.	3,551.	2,332.
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	NONE			
c Accounting	7,750.		7,750.	
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	NONE			
13 Office expenses	2,221.	1,997.	135.	89.
14 Information technology	11,406.	10,683.	723.	
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	NONE			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	44,731.	44,731.		
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization . . .	61,574.	61,574.		
23 Insurance	16,828.	16,828.		
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 TEXTS/TEACHING AIDS -----	7,534.	7,056.	478.	
b ACTIVITIES AND BOOKS -----	11,799.	11,799.		
c SENIOR RETREATS -----	4,169.	4,169.		
d FACULTY PARKING -----	5,136.	5,136.		
e BANK CHARGES -----	1,114.		1,114.	
f All other expenses -----	99,713.	91,718.	3,156.	4,839.
25 Total functional expenses. Add lines 1 through 24f	1,113,184.	1,010,275.	64,435.	38,474.
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		1	
	2	Savings and temporary cash investments	1,515,803.	2	1,588,111.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	18,838.	4	35,068.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	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		6	
	7	Notes and loans receivable, net STMT. 3	NONE	7	12,995.
	8	Inventories for sales or use		8	
	9	Prepaid expenses and deferred charges	15,603.	9	NONE
	10a	Land, buildings, and equipment, cost basis 10a	1,849,124.		
	b	Less accumulated depreciation. Complete Part VI of Schedule D. 10b	502,376.	10c	1,346,748.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets	7,605.	14	6,059.
	15	Other assets See Part IV, line 11		15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	2,910,976.	16	2,988,981.	
Liabilities	17	Accounts payable and accrued expenses	5,571.	17	13,888.
	18	Grants payable		18	
	19	Deferred revenue	227,435.	19	188,390.
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties STMT. 4	775,730.	23	759,865.
	24	Unsecured notes and loans payable.		24	
	25	Other liabilities. Complete Part X of Schedule D	3,717.	25	3,641.
	26	Total liabilities. Add lines 17 through 25.	1,012,453.	26	965,784.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	1,898,523.	27	2,023,197.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	1,898,523.	33	2,023,197.	
34	Total liabilities and net assets/fund balances.	2,910,976.	34	2,988,981.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
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?	X	
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?		X
b	If "Yes," did the organization undergo the required audit or audits?	N/A	

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

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 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; 10 Other income; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc; 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Description. Rows include: 14 Public support percentage for 2008; 15 Public support percentage from 2007; 16a 33 1/3% support test - 2008; 16b 33 1/3% support test - 2007; 17a 10%-facts-and-circumstances test - 2008; 17b 10%-facts-and-circumstances test - 2007; 18 Private foundation.

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

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1-5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c 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.

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

Table with 3 columns: Description, Amount, Percentage. Row 15: Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)). Row 16: Public support percentage from 2007 Schedule A, Part IV-A, line 27g.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Amount, Percentage. Row 17: Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)). Row 18: Investment income percentage from 2007 Schedule A, Part IV-A, line 27h.

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.

19b 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

THE NORA SCHOOL, INC.

Employer identification number

52-1036230

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 Total number at end of year, Aggregate contributions, Aggregate grants, Aggregate value, and questions about donor advisement.

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

Form for Part II Conservation Easements. Includes questions about purpose of easements, number of easements, and monitoring requirements.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting requirements for art and historical treasures.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990

Schedule D (Form 990) 2008

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

Table with columns for Amount and rows 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance

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.

Table with columns (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back and rows 1a-1g

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:

- (i) unrelated organizations
(ii) related organizations

Table with columns Yes No and rows 3a(i), 3a(ii), 3b

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

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.

Table with columns (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Depreciation, (d) Book value and rows 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other, Total

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		

Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value

Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ▶		

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

(a) Description	(b) Book value

Total. (Column (b) should equal Form 990, Part X, col (B) line 15) ▶	

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

(a) Description of liability	(b) Amount
Federal income taxes	
ACCRUED INTEREST	3,641.

Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	3,641.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,237,858.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,113,184.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	124,674.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	124,674.

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	1,237,858.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	1,237,858.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	1,237,858.

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

1	Total expenses and losses per audited financial statements	1	1,113,184.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	1,113,184.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	1,113,184.

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

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

Schools

OMB No 1545-0047

2008

Open to Public Inspection

► 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.

Department of the Treasury
Internal Revenue Service

Name of the organization

THE NORA SCHOOL, INC.

Employer identification number

52-1036230

	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?	X	
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?	X	
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>PUBLICATION OF POLICY IN THE WASHINGTON POST ALONG WITH INCLUSION OF BLACK STUDENT STATEMENTS IN PUBLICITY PACKET SENT TO PROSPECTIVE STUDENTS AND PARENTS.</u>	X	
4 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement)	X	
5 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)		X
6a Does the organization receive any financial aid or assistance from a governmental agency?		X
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement.		X
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.	X	

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule E (Form 990 or 990-EZ) 2008

JSA
8E1273 1 000

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

THE NORA SCHOOL, INC.

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**

Employer identification number

52-1036230

GOVERNANCE

PART VI SECTION A QUESTION 10

REZNICK GROUP WILL PRESENT THE FORM 990 TO THE BOARD AT THE NOVEMBER

BOARD MEETING. THE BOARD WILL REVIEW AND ASK QUESTIONS ABOUT THE FORM

990. THE BOARD WILL THEN APPORVE THE FORM 990.

Name of the organization

THE NORA SCHOOL, INC.

Employer identification number

52-1036230

GOVERNANCE

PART VI SECTION C QUESTION 19

THESE DOCUMENTS ARE AVAILABLE UPON REQUEST.

Name of the organization

THE NORA SCHOOL, INC.

Employer identification number

52-1036230

GOVERNANCE

PART VI, SECTION B, QUESTION 12

ARTICLE III: PROCEDURES

1. DUTY TO DISCLOSE

IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS OR OTHERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT.

2. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE GOVERNING BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS.

3. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

A. AN INTERESTED PERSON MAY MAKE A PRESENTATION AT THE GOVERNING BOARD OR COMMITTEE MEETING, BUT AFTER THE PRESENTATION, HE/SHE SHALL LEAVE THE MEETING DURING THE DISCUSSION OF, AND THE VOTE ON, THE TRANSACTION OR ARRANGEMENT INVOLVING THE POSSIBLE CONFLICT OF INTEREST.

B. THE COMPLIANCE OFFICER WILL INVESTIGATE AND RESOLVE ALL REPORTED COMPLAINTS AND ALLEGATIONS. THE COMPLIANCE OFFICER SHALL INFORM THE HEAD, BOARD CHAIR AND FINANCE COMMITTEE ABOUT THE OUTCOME AND IF NEEDED, THE INVESTIGATION AND THE APPROPRIATE COURSE OF ACTION.

Name of the organization THE NORA SCHOOL, INC.	Employer identification number 52-1036230
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 C. AFTER EXERCISING DUE DILIGENCE, THE GOVERNING BOARD OR COMMITTEE SHALL

 DETERMINE WHETHER THE SCHOOL CAN OBTAIN WITH REASONABLE EFFORTS A MORE

 ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT

 WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST.

 D. IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY

 POSSIBLE UNDER CIRCUMSTANCES NOT PRODUCING A CONFLICT OF INTEREST, THE

 GOVERNING BOARD OR COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE

 DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE

 SCHOOL'S BEST INTEREST, FOR ITS OWN BENEFIT, AND WHETHER IT IS FAIR AND

 REASONABLE. IN CONFORMITY WITH THE ABOVE DETERMINATION IT SHALL MAKE ITS

 DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT.

Name of the organization

THE NORA SCHOOL, INC.

Employer identification number

52-1036230

GOVERNANCE

PART VI, SECTION B, QUESTION 15

EXECUTIVE COMPENSATION

THE HEAD OF SCHOOL IS EVALUATED BY THE BOARD OF DIRECTORS AND THE FACULTY

EVERY THREE YEARS. THE HEAD OF SCHOOL IS THEN OFFERED A CONTRACT WITH A

SALARY NEGOTIATED BETWEEN THE HEAD OF SCHOOL AND BOARD CHAIR, WHICH IS

THEN REVIEWED AND APPROVED OR DISAPPROVED BY THE EXECUTIVE COMMITTEE OF

THE BOARD OF DIRECTORS.

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION
=====

WE ARE A SMALL COLLEGE PREPARATORY HIGH SCHOOL WITH A MISSION TO NURTURE AND EMPOWER BRIGHT STUDENTS WHO HAVE NOT REALIZED THEIR POTENTIAL IN OTHER SETTINGS. WE PROVIDE A SUPPORTIVE, YET RIGOROUS, ACADEMIC PROGRAM WHICH FOSTERS PERSONAL AND INTELLECTUAL GROWTH AND RESPONSIBLE INDEPENDENCE. COLLEGE PREPARATORY HIGH SCHOOL FOR AT RISK STUDENTS

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST AND DIVIDENDS	35,580.			35,580.
TOTALS	35,580.			35,580.

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

=====

BORROWER: PROMISSORY NOTE - BRYANT
ORIGINAL AMOUNT: 15,045.
DATE OF NOTE: 11/11/2008
MATURITY DATE: 08/11/2011
REPAYMENT TERMS: ON DEMAND

BEGINNING BALANCE DUE NONE
ENDING BALANCE DUE 12,995.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE NONE
=====

TOTAL ENDING NOTES AND LOANS RECEIVABLES 12,995.
=====

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: POTOMAC VALLEY BANK
 ORIGINAL AMOUNT: 838,100.
 DATE OF NOTE: 04/04/2003
 MATURITY DATE: 04/04/2033
 REPAYMENT TERMS: FIXED 5 YRS., VARIABLE REMAINING 25 YRS.
 SECURITY PROVIDED: LAND AND BUILDING
 PURPOSE OF LOAN: REFINANCE EXISTING BUILDING

BEGINNING BALANCE DUE	775,730.
ENDING BALANCE DUE	759,865.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	775,730.
---	----------

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	759,865.
--	----------

**Depreciation and Amortization
(Including Information on Listed Property)**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No **67**

Name(s) shown on return
THE NORA SCHOOL, INC.

Identifying number
52-1036230

Business or activity to which this form relates

GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1
2	Total cost of section 179 property placed in service (see instructions)	2
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7		8
9	Tentative deduction Enter the smaller of line 5 or line 8		9
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562		10
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11		12
13	Carryover of disallowed deduction to 2009 Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14
15	Property subject to section 168(f)(1) election	15
16	Other depreciation (including ACRS)	16

60,028.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶	

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	22
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23

60,028.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use
27 Property used 50% or less in a qualified business use
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)
31 Total commuting miles driven during the year
32 Total other personal (noncommuting) miles driven
33 Total miles driven during the year Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours? Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?
36 Is another vehicle available for personal use?

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions)
43 Amortization of costs that began before your 2008 tax year 43 1,546.
44 Total. Add amounts in column (f) See the instructions for where to report 44 1,546.