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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)

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

For the 2008 calendar year, or tax year beginning 7/01, 2008, and ending 6/30, 2009

Form header section containing: B Check if applicable (Address change, Name change, etc.), D Employer Identification Number (54-0699812), E Telephone number ((540) 878-2700), G Gross receipts (\$ 15,197,016), F Name and address of principal officer (SAME AS C ABOVE), I Tax-exempt status (501(c)(3)), J Website (WWW.HIGHLANDSCHOOL.ORG), K Type of organization (Corporation), L Year of Formation, M State of legal domicile (VA).

Part I Summary table with columns for Prior Year and Current Year. Rows include: 1-7a Summary of mission and membership; 8-12 Revenue (Total revenue: 13,354,301); 13-19 Expenses (Total expenses: 11,101,297); 20-22 Fund Balances (Net assets: 28,301,499).

Part II Signature Block. Includes signature of officer Henry D. Berg dated 1/8/10 and preparer's signature dated 12/23/09.

Paid Preparer's Use Only section. Preparer: SCHEULEN PATCHETT & EDWARDS PC, 98 ALEXANDRIA PIKE, SUITE 22, WARRENTON, VA 20186-2849. EIN: N/A. Phone: (540) 347-5144.

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

SCANNED JAN 25 2010

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Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

THE SCHOOL IS ORGANIZED FOR THE PURPOSE OF TEACHING AND EDUCATING STUDENTS IN ANY AND ALL BRANCHES 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 [X] 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 [X] 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 \$ 8,134,509. including grants of \$ 1,407,533.) (Revenue \$)

TUITION AND FEES - PROVIDING EDUCATIONAL INSTRUCTION TO OVER 530 STUDENTS; GRADE LEVELS KINDERGARTEN TO 12TH GRADE

4b (Code: []) (Expenses \$ 178,776. including grants of \$) (Revenue \$)

TRANSPORTATION - PROVIDING STUDENT TRANSPORTATION FOR OVER 110 STUDENTS

4c (Code: []) (Expenses \$ 61,766. including grants of \$) (Revenue \$)

AFTERNOON PROGRAM - SUPERVISION AFTER SCHOOL TO APPROXIMATELY 75 STUDENTS.

4d Other program services (Describe in Schedule O.) SEE SCHEDULE O

(Expenses \$ 4,809. including grants of \$) (Revenue \$)

4e Total program service expenses ▶ \$ 8,379,860. (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	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? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
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		
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		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? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		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? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	X	
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	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? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	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.? If 'Yes,' complete Schedule F, Part 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? If 'Yes,' complete Schedule F, Part II		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? If 'Yes,' complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X
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		X
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	X	
23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J	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, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
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		X
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		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? If 'Yes,' complete Schedule L, Part II		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? If 'Yes,' complete Schedule L, Part III		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>	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>		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>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>	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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		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>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I</i>		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>		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>		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>		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>		X

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Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1 a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of US Information Returns. Enter -0- if not applicable		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1 a	12		
1 b	0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2 a	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		
2 a	148		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O		
4 a	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)?		X
4 a	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.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 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?		
6 a	Did the organization solicit any contributions that were not tax deductible?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7 a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	X	
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	X	
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year		
7 e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
7 h	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
9 a	Did the organization make any taxable distributions under section 4966?		
9 b	Did the organization make any distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12		
10 b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter		
11 a	Gross income from other members or shareholders		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		

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Form 990 (2008)

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
1 a Enter the number of voting members of the governing body		20
1 b Enter the number of voting members that are independent		19
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?		X
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?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7 a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 a Does the organization have local chapters, branches, or affiliates?		X
b 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 SEE SCHEDULE O	X	
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		X

Section B. Policies

	Yes	No
12 a Does the organization have a written conflict of interest policy? If 'No,' go to line 13		X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done		X
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?	X	
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?	X	
b Other officers of key employees of the organization? SEE SCHEDULE O Describe the process in Schedule O. (see instructions)	X	
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
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. Disclosures

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ NONE
- 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 SEE SCHEDULE O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 ▶ ERIN EDWARDS 597 BROADVIEW AVE WARRENTON VA 20186 (540) 878-2700

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) or 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			
MR. HENRY D BERG HEADMASTER	40			X	X			174,500.	0.	22,500.
MRS. SHAWN DANIELS TRUSTEE	2	X						0.	0.	0.
MS. JODI JOHNSON TRUSTEE	2	X						0.	0.	0.
MS. HILLARY GERHARDT TRUSTEE	2	X						0.	0.	0.
MR. RICHARD CHADWELL TRUSTEE	2	X						0.	0.	0.
MR. LEWIS POLLARD TRUSTEE	2	X						0.	0.	0.
MR. IKE BROADDUS TREASURER	6	X						0.	0.	0.
MR. DAVID HAZEL TRUSTEE	6	X						0.	0.	0.
MR. PAUL RICE CHAIRMAN	6	X						0.	0.	0.
MS. PATRICIA HANBACK TRUSTEE	2	X						0.	0.	0.
MS. OLYMPIA MOSHOS TRUSTEE	2	X						0.	0.	0.
MR. WILLIAM SCHMIEDER TRUSTEE	2	X						0.	0.	0.
MR. BALDWIN TUFTS TRUSTEE	2	X						0.	0.	0.
MS. PEGGY LAURENT TRUSTEE	2	X						0.	0.	0.
MS. SHARON OWLETT SECRETARY	2	X						0.	0.	0.
MS. ANNE HALL TRUSTEE	2	X						0.	0.	0.
MR. RANDY MINTER TRUSTEE	2	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont.)

(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			
MS. ELLEN STOFAN VICE CHAIRMAN	6	X						0.	0.	0.
MR. BROOKE MILLER TRUSTEE	2	X						0.	0.	0.
MS. DONNA TOMLINSON TRUSTEE	2	X						0.	0.	0.
MR. HERB SOLES TRUSTEE	2	X						0.	0.	0.
MARY FAHNING DIRECTOR OF US	40					X		92,000.	0.	0.
LISE HICKLIN DIRECTOR OF LS	40					X		82,000.	0.	0.
ROBERT HAMPTON DIRECTOR OF IT	40					X		81,500.	0.	0.
ERIN EDWARDS DIR OF BUS OFFICE	40					X		70,700.	0.	0.
GORDON OLIVER DIR OF ADVANCEMENT	40					X		100,000.	0.	0.

1 b Total								600,700.	0.	22,500.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ▶ 1

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

	Yes	No
3		X
4	X	
5		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If 'Yes,' complete Schedule J for such person

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of Services	(C) Compensation
DAVIS, CARTER, SCOTT LTD 1676 INTERNATIONAL DRIVE MCLEAN, VA 22102	ARCHITECT	571,000.
DEWBERRY & DAVIS, LLC P.O. BOX 1824 MERRIFIELD, VA 22116	ARCHITECT	318,000.
WILLIAM HAZEL CONSTRUCTION, INC PO BOX 600 CHANTILLY, VA 20153	CONSTRUCTION	2,851,000.
HOWARD SHOCKEY & SONS, INC WARRENTON, VA	CONSTRUCTION	3,712,000.
FIELD TURF USA WASHINGTON, DC	LANDSCAPING IMPROVEM	401,000.

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ▶ 5

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	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 3,284,654.					
	g Noncash contribns included in lns 1a-1f:	\$ 380,369.					
	h Total. Add lines 1a-1f		3,284,654.				
PROGRAM SERVICE REVENUE	Business Code						
	2 a TUITION AND FEES		9,259,100.	9,259,100.			
	b SUMMER PROGRAM TUITION		74,158.	74,158.			
	c TRANSPORTATION INCOME		144,829.	144,829.			
	d AFTERNOON PROGRAM TUITION		108,568.	108,568.			
	e ART CENTER		3,992.	3,992.			
	f All other program service revenue		344,930.	344,930.			
	g Total. Add lines 2a-2f		9,935,577.				
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		357,399.			357,399.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	63,687.				
		(ii) Personal					
		b Less: rental expenses	27,437.				
		c Rental income or (loss)	36,250.				
	d Net rental income or (loss)		36,250.			36,250.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	1,199,310.				
		(ii) Other	9,246.				
		b Less: cost or other basis and sales expenses	1,691,628.	10,190.			
		c Gain or (loss)	-492,318.	-944.			
	d Net gain or (loss)		-493,262.	-492,318.		-944.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	347,143.				
		b Less: direct expenses	113,460.				
c Net income or (loss) from fundraising events			233,683.			233,683.	
9 a Gross income from gaming activities See Part IV, line 19	a						
	b Less: direct expenses						
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a _____ b _____ c _____ d All other revenue	a						
	b						
	c						
	d						
	e Total. Add lines 11a-11d						
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			13,354,301.	9,443,259.	0.	626,388.	

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				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	1,407,533.	1,407,533.		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	197,000.	197,000.	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	5,488,513.	3,839,856.	1,417,978.	230,679.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	182,266.	129,413.	45,458.	7,395.
9 Other employee benefits	327,014.	232,188.	81,558.	13,268.
10 Payroll taxes	429,906.	305,244.	107,219.	17,443.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	23,650.		23,650.	
d Lobbying				
e Prof fundraising svcs See Part IV, ln 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	35,133.	16,864.	14,053.	4,216.
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	238,557.		238,557.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	755,576.	664,907.	75,558.	15,111.
23 Insurance	78,660.	78,660.		
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 <u>STUDENT ACTIVITIES</u>	387,186.	387,186.		
b <u>UTILITIES</u>	281,656.	264,757.	14,082.	2,817.
c <u>SUPPLIES</u>	193,629.	193,629.		
d <u>REPAIRS AND MAINTENANCE</u>	185,983.	185,983.		
e <u>BAD DEBT EXPENSE</u>	106,067.		106,067.	
f All other expenses	782,968.	476,640.	201,964.	104,364.
25 Total functional expenses. Add lines 1 through 24f	11,101,297.	8,379,860.	2,326,144.	395,293.
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	380.	1	72.
	2 Savings and temporary cash investments	2,419,621.	2	1,227,437.
	3 Pledges and grants receivable, net	7,748,922.	3	7,860,767.
	4 Accounts receivable, net	115,608.	4	259,879.
	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		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	73,396.	9	36,538.
	10a Land, buildings, and equipment: cost basis	10a 35,845,921.		
	b Less accumulated depreciation. Complete Part VI of Schedule D	10b 6,779,712.		
	11 Investments – publicly-traded securities	19,175,554.	10c	29,066,209.
	12 Investments – other securities See Part IV, line 11	3,704,089.	11	3,130,295.
	13 Investments – program-related See Part IV, line 11		12	
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11		14	201,430.
16 Total assets. Add lines 1 through 15 (must equal line 34)		15	7,784,669.	
	33,237,570.	16	49,567,296.	
LIABILITIES	17 Accounts payable and accrued expenses	766,085.	17	1,886,493.
	18 Grants payable		18	
	19 Deferred revenue	2,322,709.	19	2,005,181.
	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	3,619,536.	23	17,374,123.
	24 Unsecured notes and loans payable		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	6,708,330.	26	21,265,797.
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	14,617,583.	27	17,218,625.
	28 Temporarily restricted net assets	11,860,671.	28	11,031,888.
	29 Permanently restricted net assets	50,986.	29	50,986.
	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, and equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances.	26,529,240.	33	28,301,499.
34 Total liabilities and net assets/fund balances	33,237,570.	34	49,567,296.	

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 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?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization HIGHLAND SCHOOL, INC.	Employer identification number 54-0699812
--	---

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 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 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 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 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 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?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(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
			Yes	No	Yes	No	Yes	No	
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 'unusual grants'.)						
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.						
3 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.						
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 for 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 the 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"/>		

BAA

Schedule A (Form 990 or 990-EZ) 2008

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 yr 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 'unusual grants.')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a 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, 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 yr 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 lns 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 <input type="checkbox"/>						

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 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

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

Name of the organization

HIGHLAND SCHOOL, INC.

Employer identification number

54-0699812

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 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two yes/no questions about donor informed status.

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

Table with 2 columns: Question, Held at the End of the Year. Rows include purpose(s) of conservation easements, total number of easements, total acreage, and various monitoring and reporting questions.

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.

Table with 2 columns: Question, Amount. Rows include questions about reporting works of art, historical treasures, or other similar assets held for public exhibition, education, or research.

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
1c	
1d	
1e	
1f	

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f 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.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,813,762.				
b Contributions	32,414.				
c Investment earnings or losses	-903,794.				
d Grants or scholarships					
e Other expenditures for facilities and programs	8,000.				
f Administrative expenses					
g End of year balance	2,934,382.				

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 72.00 %
- b Permanent endowment ▶ 2.00 %
- c Term endowment ▶ 26.00 %

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

	Yes	No
3a(i)		X
3a(ii)		X
3b		X

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.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book Value
1a Land		3,901,205.		3,901,205.
b Buildings		29,507,025.	5,287,767.	24,219,258.
c Leasehold improvements				
d Equipment		1,604,208.	956,683.	647,525.
e Other		833,483.	535,262.	298,221.

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ▶ 29,066,209.

BAA

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)		13,354,301.
2	Total expenses (Form 990, Part IX, column (A), line 25)		11,101,297.
3	Excess or (deficit) for the year. Subtract line 2 from line 1		2,253,004.
4	Net unrealized gains (losses) on investments		
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		
8	Other (Describe in Part XIV) SEE PART XIV		-480,745.
9	Total adjustments (net) Add lines 4-8		-480,745.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9		1,772,259.

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	11,578,553.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-480,745.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV) SEE PART XIV	2d	-1,262,290.
e	Add lines 2a through 2d	2e	-1,743,035.
3	Subtract line 2e from line 1	3	13,321,588.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	32,713.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	32,713.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	13,354,301.

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

1	Total expenses and losses per audited financial statements	1	9,756,282.
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) SEE PART XIV	2d	120,237.
e	Add lines 2a through 2d	2e	120,237.
3	Subtract line 2e from line 1	3	9,636,045.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	32,713.
b	Other (Describe in Part XIV) SEE PART XIV	4b	1,432,539.
c	Add lines 4a and 4b	4c	1,465,252.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	11,101,297.

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

2008

SCHEDULE D, PART XIV - SUPPLEMENTAL INFORMATION PAGE 6

CLIENT 3785

HIGHLAND SCHOOL, INC.

54-0699812

SCHEDULE D, PART XI, LINE 8
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

UNREALIZED LOSS ON INVESTMENTS

TOTAL \$ -480,745.
\$ -480,745.

SCHEDULE D, PART XII, LINE 2D
OTHER REVENUE INCLUDED IN F/S BUT NOT INCLUDED ON FORM 990

EXPENSES NETTED AGAINST INCOME
SCHOLARSHIPS NETTED AGAINST INCOME

\$ 145,243.
-1,407,533.
TOTAL \$ -1,262,290.
\$ -1,262,290.

SCHEDULE D, PART XIII, LINE 2D
OTHER EXPENSES AND LOSSES PER AUDITED F/S

EXPENSES NETTED AGAINST INCOME

\$ 120,237.
TOTAL \$ 120,237.
\$ 120,237.

SCHEDULE D, PART XIII, LINE 4C
OTHER REVENUE INCLUDED ON FORM 990 BUT NOT INCLUDED IN F/S

SCHOLARSHIPS REPORTED AS NEGATIVE INCOME

\$ 1,432,539.
TOTAL \$ 1,432,539.
\$ 1,432,539.

SCHEDULE E
(Form 990 or 990-EZ)

Schools

OMB No 1545-0047

2008

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.

**Open to Public
Inspection**

Name of the organization

HIGHLAND SCHOOL, INC.

Employer identification number

54-0699812

	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 had 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>SOLICITATIONS OF STUDENTS VIA NEWSPAPER (IE FAUQUIER TIMES DEMOCRAT, LOUDOUN TIMES) INCLUDE NONDISCRIMINATION STATEMENTS.</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 b, 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	

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)	MONDAY LUNCHES (event type)	3 (total number)	(Add col (a) through col (c))
REVENUE	1 Gross receipts	239,492.	34,639.	52,614.	326,745.
	2 Less Charitable contributions				
	3 Gross revenue (line 1 minus line 2)	239,492.	34,639.	52,614.	326,745.
DIRECT EXPENSES	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Other direct expenses	76,481.		28,961.	105,442.
	8 Direct expense summary Add lines 4- through 7 in column (d)				105,442.
	9 Net income summary Combine lines 3 and 8 in column (d)				221,303.

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				
	2 Cash prizes				
EXPENSES	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	

13 Indicate the percentage of gaming activity operated in

13a	%
13b	%

a The organization's facility

b An outside facility

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records.

Name ▶ -----

Address: ▶ -----

15a Does the organization have a contact with a third party from whom the organization receives gaming revenue?

15a

b If 'Yes,' enter the amount of gaming revenue received by the organization \$ _____ and the amount of gaming revenue retained by the third party \$ _____

c If 'Yes,' enter name and address

Name ▶ -----

Address: ▶ -----

16 Gaming manager information

Name: ▶ -----

Gaming manager compensation ▶ \$ _____

Description of services provided: ▶ -----

Director/officer

Employee

Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

17a

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 ▶ \$ _____

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No 1545 0047

**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees**

2008

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 23.**

**Open to Public
Inspection**

Name of the organization

HIGHLAND SCHOOL, INC.

Employer identification number

54-0699812

Part I Questions Regarding Compensation

1 a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input checked="" type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III

7 For person listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If 'Yes,' describe in Part III

Yes No

1 b X

2 X

4 a X

4 b X

4 c X

5 a X

5 b X

6 a X

6 b X

7 X

8 X

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

Schedule J (Form 990) 2008

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered
'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization: **HIGHLAND SCHOOL, INC.** Employer identification number: **54-0699812**

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization. ▶ \$ _____

Part II Loans to and/or From Interested Persons.
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No

Total ▶ \$ _____

Part III Grants or Assistance Benefitting Interested Persons.
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.
To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction \$	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
WILLIAM A. HAZEL, INC.	TRUSTEE'S BUS.	2,946,609.	SITE WORK-NEW CONSTRUC		X

**SCHEDULE M
(Form 990)**

Non-Cash Contributions

OMB No 1545-0047

2008

► To be completed by organizations that answered 'Yes'
on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

HIGHLAND SCHOOL, INC.

Employer identification number

54-0699812

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	1	1,224.	
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (<u>ORGAN</u>)		1	50,000.	FMV
26 Other ► (<u>SERVICES</u>)		2	319,610.	FMV
27 Other ► (<u>SOD FOR FIELD</u>)		1	9,535.	FMV
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b If 'Yes,' describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If 'Yes,' describe in Part II. SEE PART II

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II

	Yes	No
30a		X
31		X
32a	X	
33		

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

PART I, LINE 32 - HIRE AND USE OF THIRD PARTIES

DONATIONS OF STOCK ARE PLACED WITH SCOTT & STRINGFELLOW AND SOLD IMMEDIATELY. FUNDS ARE THEN FORWARDED TO THE ORGANIZATION.

**SCHEDULE O
(Form 990)**

Supplemental Information to Form 990

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 to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

Name of the organization

HIGHLAND SCHOOL, INC.

Employer identification number

54-0699812

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION

PERFORMANCE EXPENSES - COSTS ASSOCIATED WITH THE PRODUCTION OF HIGHLAND SCHOOL PERFORMANCES

FORM 990, PART VI, LINE 10 - FORM 990 REVIEW PROCESS

TAX RETURN WAS GIVEN TO CHIEF FINANCIAL OFFICER TO READ BEFORE FILING.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEE

COMPENSATION FOR HEAD OF SCHOOL AND DIRECTORS IS REVIEWED AND RECOMENDED BY THE COMPENSATION COMMITTEE, A COMMITTEE OF THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS HAS FINAL APPROVAL OF SALARIES OF HEAD OF SCHOOL AND DIRECTORS.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

GOVERNING DOCUMENTS AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I - Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only
All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization HIGHLAND SCHOOL, INC.	Employer identification number 54-0699812
File by the due date for filing your return. See instructions	Number, street, and room or suite number. If a P O box, see instructions 597 BROADVIEW AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WARRENTON, VA 20186	

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

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ ERIN EDWARDS _____

Telephone No. ▶ (540) 878-2700 _____ FAX No ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 10, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 20__ or
 ▶ tax year beginning 7/01, 20 08, and ending 6/30, 20 09

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$ 0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$ 0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.