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Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2008

Open to Public
InspectionA For the 2008 calendar year, or tax year beginning **7/01/08**, and ending **6/30/09**

<input type="checkbox"/> 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	Please use IRS label or print or type. See Specific Instructions. THE CORNERSTONE SCHOOL, INC. Doing Business As Number and street (or P O box if mail is not delivered to street address) 2313 SE LAKE WEIR ROAD City or town, state or country, and ZIP + 4 OCALA FL 34471-5434 F Name and address of principal officer: INGRID WASSERFALL SAME AS C ABOVE	D Employer identification number 59-2217451		
		E Telephone number 352-351-8840		
		G Gross receipts \$ 1,462,771		
		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 501(c) (3) (insert no.) 4947(a)(1) or 527J Website: ► **WWW.THECORNERSTONESCHOOL.ORG**K Type of organization Corporation Trust Association Other ► L Year of formation **1982** M State of legal domicile **FL**

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO INSPIRE STUDENTS TO BE PASSIONATE LEARNERS WHO THINK CREATIVELY AND INDEPENDENTLY, AND TO NURTURE A SENSE OF PURPOSE GUIDED BY VALUES OF TOLERANCE, INTEGRITY AND MUTUAL RESPECT.

2 Check this box ► 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 15

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 15

5 Total number of employees (Part V, line 2a)

5 39

6 Total number of volunteers (estimate if necessary)

6 85

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**0**

8 Contributions and grants (Part VIII, line 1h)

Prior Year**Current Year****13,731****72,648**

9 Program service revenue (Part VIII, line 2g)

1,222,438**1,251,569**

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

14,738**1,559**

11 Other revenue (Part VIII, column (A), lines 5, 6, 8c, 9c, 10c, and 11e)

91,594**57,435**

12 Total revenue Add lines 8 through 11 (must equal Part VIII, column (A), line 12)

1,342,501**1,383,211**

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

52,836

14 Benefits paid total for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

1,027,055**1,076,214**

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25) ►

418,956**387,443**

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)

1,446,011**1,516,493**

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)

-103,510**-133,282**

19 Revenue less expenses Subtract line 18 from line 12

20 Total assets (Part X, line 16)

Beginning of Year**End of Year****1,139,101****1,014,270**

21 Total liabilities (Part X, line 26)

282,749**291,198**

22 Net assets or fund balances Subtract line 21 from line 20

856,352**723,072**

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
INGRID WASSERFALLDate
3-5-10Type or print name and title
INGRID WASSERFALL - DIRECTOR

Paid Preparer's Use Only

Preparer's signature
T. Y. W.Date
2-18-10Check if self-employed ► Preparer's identifying number (see instructions)
P00631621Firm's name (or yours if self-employed), address, and ZIP + 4
PURVIS, GRAY & COMPANY
2347 SE 17TH STREET
OCALA, FL 34471
EIN ► **59-0548468**Phone no ► **352-732-3872**

May the IRS discuss this return with the preparer shown above? (see instructions)

 Yes No

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

Form 990 (2008)

G 16-18 7

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

TO INSPIRE STUDENTS TO BE PASSIONATE LEARNERS WHO THINK CREATIVELY AND INDEPENDENTLY, AND TO NURTURE A SENSE OF PURPOSE GUIDED BY VALUES OF TOLERANCE, INTEGRITY AND MUTUAL RESPECT.

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 \$ 1,024,587 including grants of \$ 52,836) (Revenue \$ 1,309,004)
**TO PROVIDE A PRIVATE EDUCATIONAL ENVIRONMENT FOR
PRESCHOOL THOUGH MIDDLE SCHOOL AGED CHILDREN. THE SCHOOL
SERVES APPROXIMATELY 200 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 ► \$ 1,024,587 (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	<input checked="" type="checkbox"/>	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		<input checked="" type="checkbox"/>
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		
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		<input checked="" type="checkbox"/>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input checked="" type="checkbox"/>	
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	<input checked="" type="checkbox"/>	
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		<input checked="" type="checkbox"/>
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	<input checked="" type="checkbox"/>	
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		<input checked="" type="checkbox"/>
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	<input checked="" type="checkbox"/>	
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	<input checked="" type="checkbox"/>	
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J		<input checked="" type="checkbox"/>
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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		
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		
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		<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

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)? If "Yes," complete Schedule L, Part IV
- b** Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV
- 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? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

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? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1

35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

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? If "Yes," complete Schedule R, Part VI

	Yes	No
28a		X
28b		X
28c		X
29		X
30		X
31		X
32		X
33		X
34		X
35		X
36		X
37		X

Part V | Statements Regarding Other IRS Filings and Tax Compliance

1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns. Enter -0- if not applicable

1a	1	Yes	No
1b	1		

1c

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return

2a	39	Yes	No
2b	X		

3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

3b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O

4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

4b 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

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?

5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?

5c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?

6a Did the organization solicit any contributions that were not tax deductible?

6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

7 **Organizations that may receive deductible contributions under section 170(c).**

7a Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?

7b If "Yes," did the organization notify the donor of the value of the goods or services provided?

7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

7d If "Yes," indicate the number of Forms 8282 filed during the year

7e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

7g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?

7h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?

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.**

9a Did the organization make any taxable distributions under section 4966?

9b Did the organization make a distribution to a donor, donor advisor, or related person?

10 **Section 501(c)(7) organizations.** Enter:

10a Initiation fees and capital contributions included on Part VIII, line 12

10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities

11 **Section 501(c)(12) organizations.** Enter:

11a Gross income from members or shareholders

11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)

12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?

12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year

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

Section A. Governing Body and Management

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

	Yes	No
1a	15	
1b	15	
2		X
3		X
4		X
5		X
6	X	
7a	X	
7b		X
8a	X	
8b	X	
9a		X
9b		
10	X	
11		X

1a Enter the number of voting members of the governing body

1b Enter the number of voting members that are independent

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

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?

4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a material diversion of the organization's assets?

6 Does the organization have members or stockholders?

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?

7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

9a Does the organization have local chapters, branches, or affiliates?

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

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

Section B. Policies

	Yes	No
12a	X	
12b	X	
12c	X	
13	X	
14	X	
15		
a	X	
b		X
16a		
b		X
16b		

12a Does the organization have a written conflict of interest policy? If "No," go to line 13

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

13 Does the organization have a written whistleblower policy?

14 Does the organization have a written document retention and destruction policy?

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?

b Other officers or key employees of the organization?

Describe the process in Schedule O. (see instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **NONE**

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply

Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **INGRID WASSERFALL**
2313 SE LAKE WEIR RD.
OCALA **FL 34471** **352-351-8840**

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			
JEFF DOMFORT									
<u>PRESIDENT</u>	4	X		X			0	0	0
JON LIN									
<u>PAST PRES.</u>	4	X					0	0	0
KATHY POPEIL									
<u>VICE PRES.</u>	10	X		X			0	0	0
CHRIS ROBERTS									
<u>BOARD MEMBER</u>	1	X					0	0	0
VIC ROTZ									
<u>TREASURER</u>	1	X		X			0	0	0
SUSIE GIBSON									
<u>BOARD MEMBER</u>	1	X					0	0	0
FRED AUGUSTINE									
<u>BOARD MEMBER</u>	2	X					0	0	0
CRAIG BACHRODT									
<u>BOARD MEMBER</u>	1	X					0	0	0
PETER POLACK									
<u>BOARD MEMBER</u>	1	X					0	0	0
MELISSA MILLITELLO									
<u>BOARD MEMBER</u>	1	X					0	0	0
MICHAEL BRICKER									
<u>SECRETARY</u>	1	X		X			0	0	0
RICHARD GEHMAN									
<u>BOARD MEMBER</u>	2	X					0	0	0
STEVE ALLEN									
<u>BOARD MEMBER</u>	2	X					0	0	0
INGO FOCKLER									
<u>BOARD MEMBER</u>	4	X					0	0	0
PENNY TERRY									
<u>BOARD MEMBER</u>	1	X					0	0	0
INGRID WASSERFALL									
<u>DIRECTOR</u>	55			X			84,537	0	2,978

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

1b Total

84,537

2,978

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 0

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

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

Compensation from the organization		
(A) Name and business address	(B) Description of services	(C) Compensation

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

6

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts					
1a Federated campaigns	1a				
1b Membership dues	1b				
1c Fundraising events	1c	23,000			
1d Related organizations	1d				
1e Government grants (contributions)	1e				
1f All other contributions, gifts, grants, and similar amounts not included above	1f	49,648			
g Noncash contributions included in lines 1a-1f		\$			
h Total. Add lines 1a-1f	►	72,648			
Program Service Revenue		Busn. Code			
2a TUITION INCOME			1,084,221	1,084,221	
b REGISTRATIONS			56,960	56,960	
c STUDENT EVENT INCOME			47,144	47,144	
d EXTENDED DAY FEES			29,194	29,194	
e ACTIVITY FEES			24,450	24,450	
f All other program service revenue			9,600	9,600	
g Total. Add lines 2a-2f	►		1,251,569		
3 Investment income (including dividends, interest, and other similar amounts)			1,559		1,559
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross Rents	(i) Real	(ii) Personal			
b Less rental exps					
c Rental inc or (loss)					
d Net rental income or (loss)					
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis & sales exps					
c Gain or (loss)					
d Net gain or (loss)					
8a Gross income from fundraising events (not including \$ 23,000 of contributions reported on line 1c)					
See Part IV, line 18	a	136,083			
b Less: direct expenses	b	79,560			
c Net income or (loss) from fundraising events	►		56,523	56,523	
9a Gross income from gaming activities.					
See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities	►				
10a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory	►				
Miscellaneous Revenue	Busn. Code				
11a OTHER INCOME			542	542	
b LATE FEE INCOME			370	370	
c					
d All other revenue					
e Total. Add lines 11a-11d	►		912		
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	►		1,383,211	1,309,004	0 1,559

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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(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	52,836	52,836		
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	84,537		84,537	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	808,239	657,950	150,289	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	20,006	20,006		
9 Other employee benefits	96,221	96,221		
10 Payroll taxes	67,211	49,625	17,586	
11 Fees for services (non-employees)				
a Management				
b Legal	633		633	
c Accounting				
d Lobbying	16,082		16,082	
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	550	550		
12 Advertising and promotion	6,466		6,466	
13 Office expenses	103,260	61,906	41,354	
14 Information technology				
15 Royalties				
16 Occupancy	64,701		64,701	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	10,965	10,965		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	43,726		43,726	
23 Insurance	14,581		14,581	
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 STUDENT ACTIVITIES/EVENTS	68,527	68,527		
b BAD DEBTS	35,014		35,014	
c UNEMPLOYMENT PAYMENTS	10,843		10,843	
d DUES AND MEMBERSHIPS	4,232		4,232	
e ACCREDITATION	3,095	3,095		
f All other expenses	4,768	2,906	1,862	
25 Total functional expenses. Add lines 1 through 24f	1,516,493	1,024,587	491,906	
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	1,743	1	25,952
	2 Savings and temporary cash investments	433,464	2	290,893
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	18,976	4	33,633
	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	676	7	676
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	970	9	
	10a Land, buildings, and equipment: cost basis	1,045,531		
	b Less: accumulated depreciation Complete Part VI of Schedule D	388,798	10c	656,733
	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		14	
	15 Other assets See Part IV, line 11	7,090	15	6,383
	16 Total assets. Add lines 1 through 15 (must equal line 34)	1,139,101	16	1,014,270
Liabilities	17 Accounts payable and accrued expenses	44,759	17	70,237
	18 Grants payable		18	
	19 Deferred revenue	64,418	19	60,950
	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	173,572	23	160,011
	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	282,749	26	291,198
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	840,160	27	716,415
	28 Temporarily restricted net assets	13,692	28	4,157
	29 Permanently restricted net assets	2,500	29	2,500
	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	856,352	33	723,072
	34 Total liabilities and net assets/fund balances	1,139,101	34	1,014,270

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?	<input checked="" type="checkbox"/> 2a	<input type="checkbox"/>
b Were the organization's financial statements audited by an independent accountant?	<input type="checkbox"/> 2b	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/> 2c	<input checked="" type="checkbox"/>
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		
b If "Yes," did the organization undergo the required audit or audits?	<input type="checkbox"/> 3a	<input checked="" type="checkbox"/>
	<input type="checkbox"/> 3b	

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service
Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2008Open to Public
Inspection

Name of the organization

THE CORNERSTONE SCHOOL, INC.Employer identification number
59-2217451
Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

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

1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
 9 An organization that normally receives: (1) more than 33 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 to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III—Functionally Integrated d Type III—Other
 e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

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

Schedule A (Form 990 or 990-EZ) 2008

Schedule A (Form 990 or 990-EZ) 2008 **THE CORNERSTONE SCHOOL, INC.****59-2217451**

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

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

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

Calendar year (or fiscal year beginning in) ►

1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")

2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose

3 Gross receipts from activities that are not an unrelated trade or business under section 513

4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf

5 The value of services or facilities furnished by a governmental unit to the organization without charge

6 **Total.** Add lines 1-5

7a Amounts included on lines 1, 2, and 3 received from disqualified persons

b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000

c Add lines 7a and 7b

8 **Public support** (Subtract line 7c from line 6.)

	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1						
2						
3						
4						
5						
6						
7a						
b						
c						
8						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►

9 Amounts from line 6

10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources

b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975

c Add lines 10a and 10b

11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on

12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)

13 **Total support.** (Add lines 9, 10c, 11, and 12.)

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

	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9						
10a						
b						
c						
11						
12						
13						
14						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))

16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g

15	%
16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))

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 ►

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

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

Schedule A (Form 990 or 990-EZ) 2008 **THE CORNERSTONE SCHOOL, INC.**

59-2217451

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Part IV

Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**► 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.

OMB No. 1545-0047

2008Open to Public
Inspection

Name of the organization

Employer identification number

THE CORNERSTONE SCHOOL, INC.**59-2217451****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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

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

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

Schedule D (Form 990) 2008 **THE CORNERSTONE SCHOOL, INC.****59-2217451**

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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:

c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?

Yes No

b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	44,344				
b Contributions					
c Investment earnings or losses	433				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	42,277				
g End of year balance	2,500				

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

a Board designated or quasi-endowment ► %

b Permanent endowment ► 100.00 %

c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)		X
3a(ii)		X
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.**

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		97,000		97,000
b Buildings		778,599	267,048	511,551
c Leasehold improvements				
d Equipment		169,932	121,750	48,182
e Other				
Total. Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				656,733

Schedule D (Form 990) 2008

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.

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

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

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	

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

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
2 Total expenses (Form 990, Part IX, column (A), line 25)	2
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3
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

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
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
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 1, line 12)	5

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

1 Total expenses and losses per audited financial statements	1
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
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

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

PART V, LINE 4 - INTENDED USES FOR ENDOWMENT FUNDS

BOARD DESIGNATED FUNDS USED FOR GENERAL PROGRAMS AND OPERATIONS.

PERMANENTLY RESTRICTED ENDOWMENT NOT SPECIFIED FOR A SPECIFIC USE, BUT WHOSE EARNINGS ARE AVAILABLE TO SUPPORT GENERAL ACTIVITIES OF THE ORGANIZATION. ALL QUASI-ENDOWMENTS HAD BOARD DESIGNATION REMOVED FOR FYE 6/30/09 AND ONLY PERMANENT ENDOWMENTS ARE MAINTAINED.

Part XIV Supplemental Information (continued)

SCHEDULE E
 (Form 990 or 990-EZ)

 Department of the Treasury
 Internal Revenue Service

Schools

OMB No 1545-0047

2008Open 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.

Name of the organization

THE CORNERSTONE SCHOOL, INC.Employer identification number
59-2217451

- 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?
- 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?
- 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

BROCHURE STATES THAT CORNERSTONE SCHOOL DOES NOT DISCRIMINATE ON THE BASIS OF RACE, RELIGION OR GENDER.

- 4 Does the organization maintain the following?
 - a Records indicating the racial composition of the student body, faculty, and administrative staff?
 - b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
 - c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
 - 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)

	YES	NO
1	X	
2	X	
3	X	
4a	X	
4b	X	
4c	X	
4d	X	
5a	X	
5b	X	
5c	X	
5d	X	
5e	X	
5f	X	
5g	X	
5h	X	
6a	X	
6b	X	
7	X	

- 5 Does the organization discriminate by race in any way with respect to:
 - a Students' rights or privileges?
 - b Admissions policies?
 - c Employment of faculty or administrative staff?
 - d Scholarships or other financial assistance?
 - e Educational policies?
 - f Use of facilities?
 - g Athletic programs?
 - h Other extracurricular activities?

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)

- 6a Does the organization receive any financial aid or assistance from a governmental agency?
- 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

- 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.

SCHEDULE G
(Form 990 or 990-EZ)

**Department of the Treasury
Internal Revenue Service**

Name of the organization

Supplemental Information Regarding Fundraising or Gaming Activities

► Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.

OMB No 1545-0047

2008

**Open To Public
Inspection**

THE CORNERSTONE SCHOOL, INC.

Employer identification number
59-2217451

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
- b Email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization	
		Yes	No			
Total						

3 |

- List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

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.

Revenue		(a) Event #1 CHILI COOK OFF	(b) Event #2 STUDENT LUNCHES	(c) Other Events	(d) Total Events (Add col (a) through col (c))
		(event type)	(event type)	<u>2</u> (total number)	
1	Gross receipts	77,163	35,368	40,653	153,184
	Less: Charitable contributions	23,000			23,000
	Gross revenue (line 1 minus line 2)	54,163	35,368	40,653	130,184
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs	309			309
	7 Other direct expenses	33,581	28,719	11,149	73,449
	8 Direct expense summary. Add lines 4 through 7 in column (d)				73,758
	9 Net income summary. Combine lines 3 and 8 in column (d)				56,426

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.

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

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?
b If "No," Explain:

9a	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10a		
11		
12		

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," Explain:

11 Does the organization operate gaming activities with nonmembers?

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?

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility
- b An outside facility

	Yes	No
13a	%	
13b	%	

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 contract with a third party from whom the organization receives gaming revenue?

- 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?
- 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 O

(Form 990)

Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

THE CORNERSTONE SCHOOL, INC.

Employer identification number

59-2217451

FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS
PER ARTICLES OF INCORPORATION, ALL PARENTS OR LEGAL GUARDIANS OF ANY CHILD
PRESENTLY ENROLLED IN THE SCHOOL OR ANY PERSONS DESIRING TO BE MEMBERS BY
MAJORITY VOTE OF PRESENT MEMBERS SHALL BE CONSIDERED MEMBERS OF THE
CORPORATION.

FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS
BOARD MEMBERS ARE ELECTED AND APPOINTED BY THE VOTING MEMBERSHIP (A MEMBER
IN GOOD STANDING AT THE TIME OF A VOTE) AT THE ANNUAL MEETING OF THE
CORPORATION.

FORM 990, PART VI, LINE 10 - ORGANIZATION'S PROCESS USED TO REVIEW FORM 990
THE FORM 990 WAS PROVIDED TO THE DIRECTOR AND FINANCE COMMITTEE
FOR REVIEW AND DISCUSSION PRIOR TO FILING. ALL MEMBERS OF THE BOARD
RECEIVE A COPY OF THE 990 VIA EMAIL FROM THE DIRECTOR PRIOR TO THE RETURN
BEING FILED.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY
IF A CONFLICT OF INTEREST ARISES, THE DIRECTORS REVIEW AND THE AFFECTED
BOARD MEMBER RESIGNS.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL
STATISTICAL DATA IS PROVIDED BY THE FLORIDA COUNCIL OF INDEPENDENT SCHOOLS
AND THE NATIONAL ASSOCIATION OF INDEPENDENT SCHOOLS. IN ADDITION, THE
DIRECTOR HAS AN ANNUAL REVIEW CONDUCTED BY BOARD MEMBERS.

Schedule O (Form 990) 2008

Page 2

Name of the organization

THE CORNERSTONE SCHOOL, INC.

Employer identification number

59-2217451

SCHEDULE O - ADDITIONAL INFORMATION**THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST.**

Forms
990 / 990-PF**Other Notes and Loans Receivable****2008**For calendar year 2008, or tax year beginning **7/01/08**, and ending **6/30/09**

Name

Employer Identification Number

THE CORNERSTONE SCHOOL, INC.**59-2217451****FORM 990, PART X, LINE 7 - ADDITIONAL INFORMATION**

Name of borrower		Relationship to disqualified person
(1) LOAN RECEIVABLE-FORMER EMPLOYEE		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 676	6/30/08	7/31/08	PAYMENT PAST DUE	0.000
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower		Purpose of loan	
(1) NONE		COMPENSATION OVERPAYMENT IN ERROR	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	676	676	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	676	676	

Forms
990 / 990-PF**Mortgages and Other Notes Payable****2008**

For calendar year 2008, or tax year beginning

7/01/08, and ending**6/30/09**

Name

Employer Identification Number

THE CORNERSTONE SCHOOL, INC.**59-2217451****FORM 990, PART X, LINE 23 - ADDITIONAL INFORMATION**

	Name of lender	Relationship to disqualified person
(1) WACHOVIA BANK		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 244,000	1/31/03	2/02/18		\$1,974.40 PRIN/INT MONTHLY	5.970
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

	Security provided by borrower	Purpose of loan
(1) REAL ESTATE		BUILDING CONSTRUCTION
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)		173,572	160,011
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals		173,572	160,011

4562Department of the Treasury
Internal Revenue Service
(99)**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2008Attachment
Sequence No **67**

Name(s) shown on return

THE CORNERSTONE SCHOOL, INC.Identifying number
59-2217451

Business or activity to which this form relates

INDIRECT 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	250,000
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	800,000
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	
	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
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	5,000

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	33,211
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 ► <input type="checkbox"/>		

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		22,414	5.0	HY	200DB	4,525
c 7-year property		1,945	7.0	HY	200DB	282
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			27 5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				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	43,018
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	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2008)

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:																																
<table border="1"> <tr> <td>%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>											%									%												
%																																
%																																
27 Property used 50% or less in a qualified business use																																
<table border="1"> <tr> <td>%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>S/L-</td> <td></td> <td></td> <td></td> </tr> <tr> <td>%</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>S/L-</td> <td></td> <td></td> <td></td> </tr> </table>											%							S/L-				%							S/L-			
%							S/L-																									
%							S/L-																									
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)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
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?												
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	708
44 Total. Add amounts in column (f). See the instructions for where to report						44	708

The Cornerstone School, Inc.
2313 SE Lake Weir Road
Ocala, FL 34471-5434

**Electing out of the 50% Bonus Depreciation Allowance for
All Eligible Depreciable Property**

The taxpayer elects out of the 50% first-year bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after December 31, 2007. This election applies to all eligible depreciable property placed in service after December 31, 2007.

Form **8868**
(Rev. April 2009)

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

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 File by the due date for filing your return. See instructions	Name of Exempt Organization THE CORNERSTONE SCHOOL, INC.	Employer identification number 59-2217451
	Number, street, and room or suite no. If a P O box, see instructions 2313 SE LAKE WEIR ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions OCALA FL 34471-5434	

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 (sec. 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 ► **ANNIE DARLEY**

Telephone No ► **352-351-8840** 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 **2/15/10**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ► calendar year or
 ► tax year beginning **7/01/08**, and ending **6/30/09**

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	\$
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	\$
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	\$

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

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)



Form 8868 (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box

Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print	Name of Exempt Organization THE CORNERSTONE SCHOOL, INC.	Employer identification number 59-2217451
File by the extended due date for filing the return See instructions	Number, street, and room or suite no. If a P O box, see instructions 2313 SE LAKE WEIR ROAD	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions OCALA FL 34471-5434	

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

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

- The books are in the care of ► **INGRID WASSERFALL**

Telephone No ► **352-351-8840** 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 is for

4 I request an additional 3-month extension of time until **5/15/10**5 For calendar year , or other tax year beginning **7/01/08**, and ending **6/30/09**6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

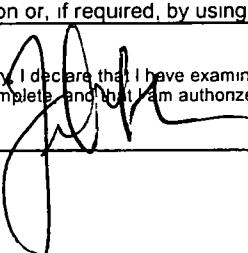
7 State in detail why you need the extension

ADDITIONAL TIME IS REQUESTED TO GATHER INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.

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

Signature and Verification

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

Signature ► Title ► **C.P.A.**

Date ►

Form **8868** (Rev. 4-2009)