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Form 990

## Return of Organization Exempt From Income Tax

2009

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

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

## A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable	C Name of organization THE HILL SCHOOL		D Employer identification number 23-1352647
<input type="checkbox"/> Address change	Doing Business As		E Telephone number (610) 326-1000
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 717 E HIGH ST		G Gross receipts \$ 35,820,741
<input type="checkbox"/> Initial return	Room/suite		
<input type="checkbox"/> Terminated			
<input type="checkbox"/> Amended return			
<input type="checkbox"/> Application pending	City or town, state or country, and ZIP + 4 POTTSTOWN, PA 19464		

F Name and address of principal officer DAVID R DOUGHERTY 717 E HIGH ST POTTSTOWN, PA 19464		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) <input type="checkbox"/> (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
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J Website: ► WWW.THEHILL.ORG	H(c) Group exemption number ►
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K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation 1920	M State of legal domicile PA
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Part I Summary	
1 Briefly describe the organization's mission or most significant activities SECONDARY BOARDING/DAY EDUCATIONAL INSTITUTION	
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets	
3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3 27
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4 26
5 Total number of employees (Part V, line 2a) . . . . .	5 303
6 Total number of volunteers (estimate if necessary) . . . . .	6 167
7a Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a 363,487
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b -13,243

Revenue	
8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year 5,204,666 Current Year 5,845,679
9 Program service revenue (Part VIII, line 2g) . . . . .	19,753,198 20,300,215
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	-130,978 1,247,028
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	239,830 262,475
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	25,066,716 27,655,397

Expenses	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	4,476,010 4,876,869
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	13,561,289 13,598,429
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0
b Total fundraising expenses (Part IX, column (D), line 25) ► 2,132,678	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) . . . . .	11,671,949 11,586,850
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	29,709,248 30,062,148
19 Revenue less expenses Subtract line 18 from line 12 . . . . .	-4,642,532 -2,406,751

Net Assets or Fund Balances	
20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year 149,759,809 End of Year 157,210,266
21 Total liabilities (Part X, line 26) . . . . .	41,803,123 39,954,367
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	107,956,686 117,255,899

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	
***** Signature of officer DONALD D SILVERSON TREASURER & CFO Type or print name and title	
2011-01-26 Date	

Paid Preparer's Use Only			
Preparer's signature ► MARTIN MAUCH	Date 2011-01-26	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ► TAIT WELLER & BAKER LLP 1818 MARKET STREET SUITE 2400 PHILADELPHIA, PA 19103			EIN ►
		Phone no ► (215) 979-8800	

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

## **Part III Statement of Program Service Accomplishments**

1 Briefly describe the organization's mission

THE HILL SCHOOL prepares students from across the United States and around the world for excellence in college, careers, and life as noted in the Strategic Plan 2007-2012 "The Hill School prepares young men and women for college, careers and life in a vigorous, diverse, yet structured residential community, we challenge our young people through a traditional liberal arts curriculum to live, learn, and lead, to fulfill themselves, and to serve the common good thus, we seek excellence in our unique way, exhorting students to strive always for 'whatsoever things are true'"

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

(Code ) (Expenses \$ 22,165,143 including grants of \$ 4,876,869 ) (Revenue \$ 20,199,203 )  
THE HILL SCHOOL GRADUATED 130 YOUNG PEOPLE WHO CURRENTLY ATTEND A TOTAL OF 82 OUTSTANDING COLLEGES AND UNIVERSITIES. THE SCHOOL PROVIDES A CHALLENGING CURRICULUM TO ITS 494 STUDENTS EMPHASIZING CRITICAL THINKING AND WRITING. A TOTAL OF 22 ADVANCED PLACEMENT COURSES WERE OFFERED AS WELL AS AN ARRAY OF HONORS CLASSES AND INDEPENDENT STUDIES. IN 2009, 149 STUDENTS TOOK 308 ADVANCED PLACEMENT EXAMS. HILL STUDENTS ARE ACTIVE IN ATHLETICS, THE ARTS, STUDENT-RUN ORGANIZATIONS AND COMMUNITY SERVICE. HILL STUDENTS ARE DRAWN FROM 32 STATES AND 20 FOREIGN COUNTRIES. THE TYPICAL CLASS SIZE IS 12 STUDENTS WITH A STUDENT/TEACHER RATIO OF 7:1.

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 **\$ 22,165.143**

**Part IV Checklist of Required Schedules**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

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

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

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 similar funds or 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

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

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

10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

- Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.
- Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.
- Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.
- Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.
- Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.
- Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.

12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

12A Was the organization included in consolidated, independent audited financial statements for the tax year?  Yes  No

If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional  12A  No

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I

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 U.S.? If "Yes," complete Schedule F, Part II

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 U.S.? If "Yes," complete Schedule F, Part III

17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

	Yes	No
1	Yes	
2	Yes	
3		No
4		No
5		
6		No
7		No
8	Yes	
9		No
10	Yes	
11	Yes	
12	Yes	
13	Yes	
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20		No

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

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
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 line 25	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a	Yes	
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28c		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV	29	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	30		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	31		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	32		No
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		No
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		No
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		No
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		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	37		No
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	38	Yes	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O			

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

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	<b>1a</b>	92
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b>	0
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	303
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note:</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	Yes	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		
<b>4b</b>	If "Yes," enter the name of the foreign country. See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		No
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>5c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	<b>6a</b>	No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	No
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	No
<b>7g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>7h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10a</b>	
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders	<b>11a</b>	
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

### Section A. Governing Body and Management

		Yes	No
<b>1a</b> Enter the number of voting members of the governing body . . .	<b>1a</b>	27	
<b>b</b> Enter the number of voting members that are independent . . .	<b>1b</b>	26	
<b>2</b> 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? . . . . .	<b>2</b>	Yes	
<b>3</b> 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? . . . . .	<b>3</b>		No
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>		No
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>		No
<b>6</b> Does the organization have members or stockholders? . . . . .	<b>6</b>		No
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>		No
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>		No
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
<b>a</b> The governing body? . . . . .	<b>8a</b>	Yes	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b>	Yes	
<b>9</b> Is there any officer, director, 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 . . . . .	<b>9</b>		No

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b> Does the organization have local chapters, branches, or affiliates? . . . . .	<b>10a</b>		No
<b>b</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? . . . . .	<b>10b</b>		
<b>11</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . .	<b>11</b>	Yes	
<b>11A</b> Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .			
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	Yes	
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	Yes	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	Yes	
<b>13</b> Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	Yes	
<b>14</b> Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b>	Yes	
<b>15</b> 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?			
<b>a</b> The organization's CEO, Executive Director, or top management official . . . . .	<b>15a</b>	Yes	
<b>b</b> Other officers or key employees of the organization . . . . .	<b>15b</b>	Yes	
If "Yes" to line a or b, describe the process in Schedule O (See instructions )			
<b>16a</b> 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>16a</b>		No
<b>b</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? . . . . .	<b>16b</b>		

### Section C. Disclosure

**17** List the States with which a copy of this Form 990 is required to be filed ► PA

**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. See Additional Data Table

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►  
 DONALD SILVERSON  
 THE HILL SCHOOL 717 E HIGH STREET  
 POTTSTOWN, PA 19464  
 (610) 326-1000

## **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. Report compensation for the calendar year ending with or within the organization's tax year. 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 all of the organization's **current** key employees See instructions for definition of "key employee "
- 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, or 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 current or former officer, director, trustee or key employee.

<b>1b Total</b>	1,071,989	0	507,498
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**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **►7**

		<b>Yes</b>	<b>No</b>
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<b>3</b>		No
<b>4</b> 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	<b>4</b>	Yes	
<b>5</b> 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	<b>5</b>		No

## 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

<b>(A)</b> Name and business address	<b>(B)</b> Description of services	<b>(C)</b> Compensation
WHOLSEN CONSTRUCTION COMPANY PO BOX 4612 LANCASTER, PA 17604	CONSTRUCTION	1,266,939
MOONLIGHT OFFICE CLEANERS INC 1289 LAURELWOOD RD POTTSTOWN, PA 19465	CLEANING SERVICE	369,624
HIGH SWARTZ ROBERTS & SEIDELL LLP 40 EAST AIRY STREET NORRISTOWN, PA 19404	LEGAL	202,935
CLAUDE A REINHART 271 DIAMOND STREET POTTSTOWN, PA 19464	PAINTING CONTRACTOR	195,884
CIRCLE S STUDIO 201 WEST 7TH ST RICHMOND, VA 23224	ADVERTISING SERVICES	144,513
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <b>►7</b>		

**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	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
	<b>b</b> Membership dues . . . . .	<b>1b</b>				
	<b>c</b> Fundraising events . . . . .	<b>1c</b>				
	<b>d</b> Related organizations . . . . .	<b>1d</b>				
	<b>e</b> Government grants (contributions)	<b>1e</b>				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	5,845,679			
	<b>g</b> Noncash contributions included in lines 1a-1f \$		515,143			
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		5,845,679			
Program Service Revenue	<b>2a</b> TUITION AND FEES	Business Code				
		611,600	19,936,728	19,936,728		
	<b>b</b> SUMMER ATHLETIC CAMPS	713,990	256,508		256,508	
	<b>c</b> USE OF FACILITIES	713,990	106,979		106,979	
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .		20,300,215			
Other Revenue	<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .					
			625,551		625,551	
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .					
	<b>5</b> Royalties . . . . .					
	<b>6a</b> Gross Rents	(I) Real	(II) Personal			
	<b>b</b> Less rental expenses					
	<b>c</b> Rental income or (loss)					
	<b>d</b> Net rental income or (loss) . . . . .					
<b>7a</b> Gross amount from sales of assets other than inventory	(I) Securities	(II) Other				
	8,514,190					
<b>b</b> Less cost or other basis and sales expenses	7,892,713					
<b>c</b> Gain or (loss)	621,477					
<b>d</b> Net gain or (loss) . . . . .			621,477		621,477	
<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
<b>b</b> Less direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from fundraising events . . . . .						
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .						
<b>b</b> Less direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .						
	<b>a</b>	305,993				
<b>b</b> Less cost of goods sold . . . . .	<b>b</b>	272,631				
<b>c</b> Net income or (loss) from sales of inventory . . . . .			33,362	33,362		
Miscellaneous Revenue		Business Code				
<b>11a</b> OTHER		900,099	229,113	229,113		
<b>b</b>						
<b>c</b>						
<b>d</b> All other revenue . . . . .						
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .		229,113				
<b>12</b> <b>Total revenue.</b> See Instructions . . . . .		27,655,397	20,199,203	363,487	1,247,028	

**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	4,876,869	4,876,869		
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 . . . . .	592,951	90,034	412,883	90,034
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	9,460,822	6,474,096	2,070,733	915,993
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,049,813	782,576	188,639	78,598
9 Other employee benefits . . . . .	1,812,435	1,239,292	394,989	178,154
10 Payroll taxes . . . . .	682,408	450,217	164,244	67,947
11 Fees for services (non-employees)				
a Management . . . . .				
b Legal . . . . .	122,545		122,545	
c Accounting . . . . .	31,750		31,750	
d Lobbying . . . . .				
e Professional fundraising See Part IV, line 17 . . . . .				
f Investment management fees . . . . .	300,742		300,742	
g Other . . . . .	126,977		48,952	78,025
12 Advertising and promotion . . . . .	46,624		28,489	18,135
13 Office expenses . . . . .	820,680		625,901	194,779
14 Information technology . . . . .	127,199			127,199
15 Royalties . . . . .				
16 Occupancy . . . . .	1,307,298	1,090,569	198,451	18,278
17 Travel . . . . .	235,483		79,600	155,883
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19 Conferences, conventions, and meetings . . . . .				
20 Interest . . . . .	1,150,315	1,029,532	103,528	17,255
21 Payments to affiliates . . . . .				
22 Depreciation, depletion, and amortization . . . . .	1,967,034	1,760,496	177,033	29,505
23 Insurance . . . . .	476,330		476,330	
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 FOOD SERVICE	1,433,882	1,433,882		
b REPAIRS & MAINTENANCE	940,530	841,774	84,648	14,108
c INSTRUCTIONAL	889,725	889,725		
d AUTO-GROUNDS-HOUSEKEEPING	551,109	493,242	49,600	8,267
e STUDENT ACTIVITIES	517,020	517,020		
f All other expenses	541,607	195,819	205,270	140,518
25 Total functional expenses. Add lines 1 through 24f	30,062,148	22,165,143	5,764,327	2,132,678
26 Joint costs. Check here <input checked="" 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**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	<b>1</b> Cash—non-interest-bearing . . . . .	105,398	<b>1</b> 57,994
	<b>2</b> Savings and temporary cash investments . . . . .	6,142,762	<b>2</b> 2,527,113
	<b>3</b> Pledges and grants receivable, net . . . . .	3,490,989	<b>3</b> 3,673,111
	<b>4</b> Accounts receivable, net . . . . .	184,344	<b>4</b> 168,518
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>
	<b>6</b> 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 . . . . .		<b>6</b>
	<b>7</b> Notes and loans receivable, net . . . . .	4,817	<b>7</b> 2,634
	<b>8</b> Inventories for sale or use . . . . .	141,739	<b>8</b> 139,452
	<b>9</b> Prepaid expenses and deferred charges . . . . .	188,700	<b>9</b> 196,172
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	<b>10a</b>	65,287,102
	<b>b</b> Less accumulated depreciation . . . . .	<b>10b</b>	19,426,167
		44,475,896	<b>10c</b> 45,860,935
	<b>11</b> Investments—publicly traded securities . . . . .	73,897,879	<b>11</b> 81,502,084
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	19,817,886	<b>12</b> 21,814,105
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>
	<b>14</b> Intangible assets . . . . .		<b>14</b>
	<b>15</b> Other assets See Part IV, line 11 . . . . .	1,309,399	<b>15</b> 1,268,148
	<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	149,759,809	<b>16</b> 157,210,266
Liabilities	<b>17</b> Accounts payable and accrued expenses . . . . .	3,321,374	<b>17</b> 3,308,727
	<b>18</b> Grants payable . . . . .		<b>18</b>
	<b>19</b> Deferred revenue . . . . .	343,634	<b>19</b> 317,060
	<b>20</b> Tax-exempt bond liabilities . . . . .	32,778,580	<b>20</b> 32,778,580
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>
	<b>25</b> Other liabilities Complete Part X of Schedule D . . . . .	5,359,535	<b>25</b> 3,550,000
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	41,803,123	<b>26</b> 39,954,367
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	<b>27</b> Unrestricted net assets . . . . .	37,565,342	<b>27</b> 39,738,183
	<b>28</b> Temporarily restricted net assets . . . . .	36,337,976	<b>28</b> 39,959,154
	<b>29</b> Permanently restricted net assets . . . . .	34,053,368	<b>29</b> 37,558,562
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>
	<b>33</b> Total net assets or fund balances . . . . .	107,956,686	<b>33</b> 117,255,899
	<b>34</b> Total liabilities and net assets/fund balances . . . . .	149,759,809	<b>34</b> 157,210,266

**Part XI Financial Statements and Reporting**

**1** Accounting method used to prepare the Form 990       Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .

**b** Were the organization's financial statements audited by an independent accountant? . . . . .

**c** If "Yes," to 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?  
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . . . .

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both  
 Separate basis       Consolidated basis       Both consolidated and separated basis

**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? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . . . .

	Yes	No
<b>2a</b>		No
<b>2b</b>	Yes	
<b>2c</b>	Yes	
<b>3a</b>		No
<b>3b</b>		

2009

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

Department of the Treasury  
Internal Revenue Service  
  
Name of the organization  
THE HILL SCHOOL

Employer identification number

23-1352647

**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 (For lines 1 through 11, check only one box)

1  A church, convention of churches, or association of churches **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)**.

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)**.

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

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?

h  Provide the following information about the supported organization(s)

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

(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	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in IRC 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 <b>Total.</b> Add lines 1 through 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 <b>Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 <b>First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						►

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

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a <b>33 1/3% support test—2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2008.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2008.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12 )						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						

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

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15
16 Public support percentage from 2008 Schedule A, Part III, line 15	16

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

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18
<b>19a 33 1/3% support tests—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>b 33 1/3% support tests—2008.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
<b>20 Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	

**Part IV** **Supplemental Information.** 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

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2009

Open to Public  
Inspection**SCHEDULE D**  
(Form 990)**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

Department of the Treasury  
Internal Revenue Service**Name of the organization**

THE HILL SCHOOL

**Employer identification number**

23-1352647

**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?  Yes  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 for any other purpose conferring impermissible private benefit?  Yes  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)

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

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

	Held at the End of the Year
2a	
2b	
2c	
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, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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 170(h)(4)(B)(ii)?  Yes  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

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_ 549,600

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a  Public exhibition

d  Loan or exchange programs

b  Scholarly research

e  Other

c  Preservation for future generations

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 Escrow and Custodial Arrangements.** Complete if the 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	

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 the 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 . . . . .	91,228,034	124,395,857			
b Contributions . . . . .	2,512,965	2,712,974			
c Investment earnings or losses . . . . .	13,738,890	-29,280,698			
d Grants or scholarships . . . . .	1,526,966	1,551,042			
e Other expenditures for facilities and programs . . . . .	5,673,227	5,049,057			
f Administrative expenses . . . . .					
g End of year balance . . . . .	100,279,696	91,228,034			

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

a Board designated or quasi-endowment ► 28 120 % %

b Permanent endowment ► 34 870 % %

c Term endowment ► 37 010 % %

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

(i) unrelated organizations . . . . .  Yes  No

(ii) related organizations . . . . .  Yes  No

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

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

4 Describe in Part XIV the intended uses of the organization's endowment funds

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

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		1,131,966			1,131,966
b Buildings . . . . .		57,636,362	15,702,234		41,934,128
c Leasehold improvements . . . . .		2,444,941	1,840,609		604,332
d Equipment . . . . .		2,633,370	1,883,324		750,046
e Other . . . . .		1,440,463			1,440,463
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				45,860,935	

**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		
Closely-held equity interests		
Other		
PRIVATE EQUITY AND REAL ESTATE PARTNERSHIPS	21,814,105	F
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12 )	21,814,105	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 13 )		

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

(a) Description	(b) Book value
<b>Total.</b> (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	
DEFERRED BOND PREMIUM	1,107,778
DEPOSITS AND ADVANCED TUITION	2,400,143
CAPITAL LEASE OBLIGATION	42,079
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25 )	3,550,000

2. FIN 48 Footnote 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	27,655,397
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	30,062,148
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-2,406,751
4	Net unrealized gains (losses) on investments	4	11,753,051
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-47,087
9	Total adjustments (net) Add lines 4 - 8	9	11,705,964
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	9,299,213

**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	34,503,468
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	11,753,051
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	272,631
e	Add lines 2a through 2d . . . . .	2e	12,025,682
3	Subtract line 2e from line 1 . . . . .	3	22,477,786
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	300,742
b	Other (Describe in Part XIV) . . . . .	4b	4,876,869
c	Add lines 4a and 4b . . . . .	4c	5,177,611
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	27,655,397

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

1	Total expenses and losses per audited financial statements . . . . .	1	25,157,168
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	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	272,631
e	Add lines 2a through 2d . . . . .	2e	272,631
3	Subtract line 2e from line 1 . . . . .	3	24,884,537
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	300,742
b	Other (Describe in Part XIV) . . . . .	4b	4,876,869
c	Add lines 4a and 4b . . . . .	4c	5,177,611
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	30,062,148

**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. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part III, Line 4		THE SCHOOL MAINTAINS THREE COLLECTIONS, N C WYETH PAINTINGS, DUCK STAMPS AND AUDUBON PRINTS THESE ARE ALL DISPLAYED FOR THE EDUCATION OF OUR STUDENTS THE WYETH PAINTINGS DEPICT HISTORICAL BATTLES THAT SHAPED U S HISTORY THE DUCK STAMPS AND AUDUBON PRINTS ARE VISUAL AIDS FOR THE STUDENTS STUDYING BIRDS
Part XI, Line 8 - Other Adjustments		ACTUARIAL LOSS ON ANNUITY OBLIGATIONS AND LIFE INCOME FUNDS -47087
Part XII, Line 2d - Other Adjustments		COST OF GOODS SOLD - BOOKSTORE 272631
Part XII, Line 4b - Other Adjustments		FINANCIAL AID 4876869
Part XIII, Line 2d - Other Adjustments		COST OF GOODS SOLD - BOOKSTORE 272631
Part XIII, Line 4b - Other Adjustments		FINANCIAL AID 4876869

2009

Open to Public  
Inspection**SCHEDULE E**  
(Form 990 or 990-EZ)**Schools**►Complete if the organization answered "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 HILL SCHOOL**Employer identification number**

23-1352647

**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?

	YES	NO
<b>1</b>	Yes	
<b>2</b>	Yes	
<b>3</b>	Yes	

**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

IN 2009-2010, THE HILL SCHOOL'S STUDENT BODY OF 372 BOARDING STUDENTS AND 122 DAY STUDENTS WAS DRAWN FROM 30 STATES, AND 20 FOREIGN COUNTRIES. THE SCHOOL HAS ALWAYS HAD A NON-DISCRIMINATORY POLICY, WHICH HAS BEEN APPROVED BY THE BOARD OF TRUSTEES, AND THIS POLICY IS STATED IN ALL OF THE MAJOR SCHOOL PUBLICATIONS. THE STUDENT BODY CONSISTS OF AFRICAN-AMERICANS AND OTHER STUDENTS FROM RACIAL MINORITY GROUPS AS WELL AS NATIVE STUDENTS FROM BAHAMAS, BOTSWANA, CANADA, CHINA, ENGLAND, FRANCE, GERMANY, INDONESIA, ITALY, JAPAN, NIGERIA, PERU, PHILIPPINES, SAUDI ARABIA, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SPAIN, THAILAND, AND VENEZUELA

**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, use Schedule O (Form 990)

<b>4a</b>	Yes	
<b>4b</b>	Yes	
<b>4c</b>	Yes	
<b>4d</b>	Yes	

**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, use Schedule O (Form 990)

<b>5a</b>	No	
<b>5b</b>	No	
<b>5c</b>	No	
<b>5d</b>	No	
<b>5e</b>	No	
<b>5f</b>	No	
<b>5g</b>	No	
<b>5h</b>	No	

**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, explain on Schedule O (Form 990)

**7** Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," explain on Schedule O (Form 990)

<b>6a</b>	No	
<b>6b</b>	No	
<b>7</b>	Yes	

**Schedule I  
(Form 990)**

## **Grants and Other Assistance to Organizations, Governments and Individuals in the United States**

**Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22**

**► Attach to Form 990**

2009

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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Name of the organization  
**THE HILL SCHOOL**

**Employer identification number**

23-1352647

## **Part I General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .  Yes  No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
FINANCIAL AID	191	4,876,869			
See Additional Data Table					

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 THE FINANCIAL AID COMMITTEE REVIEWS APPLICATIONS FOR AID SUBMITTED THROUGH SSS OF PRINCETON, COPIES OF PARENT'S FEDERAL TAX RETURNS AND ANY OTHER INFORMATION OFFERED BY THE APPLICANTS ALL RECORDS ARE MAINTAINED BY THE DIRECTOR OF FINANCIAL AID AID IS AWARDED BASED ON THE NEED AS DETERMINED BY THE SSS CALCULATIONS ALL FINANCIAL AID THAT IS AWARDED IS CREDITED TO THE TUITION BILLING FOR THE STUDENT ALL AID IS USED TO REDUCE THE TUITION PAYABLE

**Schedule J**  
(Form 990)**Compensation Information**

OMB No 1545-0047

**2009****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
**► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.**  
**► Attach to Form 990. ► See separate instructions.**

**Name of the organization**

THE HILL SCHOOL

**Employer identification number**

23-1352647

**Part I Questions Regarding Compensation**

Yes

No

**1a** 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 type="checkbox"/> Discretionary spending account	<input checked="" type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

**1b** No

**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?

**2** No

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

<input checked="" type="checkbox"/> Compensation committee	<input 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 with respect to the filing organization or a related organization

**4a** No

**a** Receive a severance payment or change-of-control payment?

**4b** No

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

**4c** No

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

If "Yes" to any of lines 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 only must complete lines 5-9.**

**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

**5a** No

**a** The organization?

**5b** No

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

**6a** No

**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

**6b** No

**a** The organization?

**7** No

**b** Any related organization?

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

**8** No

**7** For persons 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

**9** No

**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

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(III) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

Identifier	Return Reference	Explanation
Supplemental Information	Part III	THE SCHOOL'S FACULTY ARE REQUIRED TO ACCEPT THE HOUSING PROVIDED AS A CONDITION OF THEIR EMPLOYMENT. ALL TEACHING AND THE MAJORITY OF THE ADMINISTRATIVE FACULTY RECEIVE THIS BENEFIT. SIX OF THE SEVEN EMPLOYEES LISTED ON SCHEDULE J RECEIVE THIS HOUSING BENEFIT. NONE OF THIS BENEFIT IS CONSIDERED TAXABLE INCOME TO THE EMPLOYEES.

**Schedule K  
(Form 990)**

OMB No 1545-0047

**Supplemental Information on Tax Exempt Bonds****2009**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).  
 ► Attach to Form 990. ► See separate instructions.

**Open to Public  
Inspection**Department of the Treasury  
Internal Revenue ServiceName of the organization  
THE HILL SCHOOL

Employer identification number

23-1352647

**Part I Bond Issues**

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY	23-2245125		06-16-2005	22,307,442	CONSTRUCTION PROJECTS		X	X	
B	MONTGOMERY COUNTY HIGHER EDUCATION AND HEALTH AUTHORITY	23-2447147		12-22-2008	4,933,580	CONSTRUCTION PROJECTS AND RENOVATION		X	X	
C	POTTSTOWN BOROUGH AUTHORITY	23-2475279	738287AA9	08-22-2002	7,000,000	CONSTRUCTION PROJECTS		X	X	

**Part II Proceeds**

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Total proceeds of issue			22,307,442		4,933,580		7,000,000			
2	Gross proceeds in reserve funds										
3	Proceeds in refunding or defeasance escrows			21,709,754							
4	Other unspent proceeds										
5	Issuance costs from proceeds			597,688		63,678		154,700			
6	Working capital expenditures from proceeds										
7	Capital expenditures from proceeds			4,869,902		4,869,902		6,845,300			
8	Year of substantial completion										
9	Were the bonds issued as part of a current refunding issue?			X		X		X			
10	Were the bonds issued as part of an advance refunding issue?	X			X		X				
11	Has the final allocation of proceeds been made?	X		X		X					
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X					

**Part III Private Business Use**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X			
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X			

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No								
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X		X				
3b Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X				
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X		X				
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X					

**Part IV Arbitrage**

	A		B		C		D		E	
	Yes	No								
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X	X		X					
2 Is the bond issue a variable rate issue?		X	X		X					
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X				
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X		X		X				
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X				
6 Did the bond issue qualify for an exception to rebate?		X	X		X					



SCHEDULE M  
(Form 990)

## NonCash Contributions

OMB No 1545-0047

2009

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service►Complete if the organization answered "Yes" on Form  
990, Part IV, lines 29 or 30.  
► Attach to Form 990.Name of the organization  
THE HILL SCHOOL

Employer identification number

23-1352647

## 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	41	515,143	FAIR MARKET VALUE
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 ►( _____ )				
26 Other ►( _____ )				
27 Other ►( _____ )				
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	

	Yes	No
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? . . . . .	30a	No
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?	31	Yes
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .	32a	Yes
b If "Yes," describe in 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		

**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.

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Third Party Use	Part I, Line 32b	THE SCHOOL UTILIZES THE SERVICES OF A DISCOUNT BROKER TO SELL ALL SECURITIES RECEIVED

**SCHEDULE O**  
(Form 990)**Supplemental Information to Form 990****2009****Open to Public  
Inspection**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
► Attach to Form 990.

**Name of the organization**  
THE HILL SCHOOL**Employer identification number**

23-1352647

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		BOARD MEMBER DAVID TENNEY IS A BOARD MEMBER OF A COMPANY THAT IS CONTROLLED BY BOARD MEMBER JON WENDELL

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		THE FORM 990 IS PREPARED BY AN OUTSIDE CPA FIRM AND THEN IS REVIEWED BY THE OFFICERS IT IS THEN GIVEN TO THE FULL BOARD OF TRUSTEES PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		THE ASSISTANT SECRETARY SENDS A SURVEY TO ALL SENIOR STAFF AND TRUSTEES EVERY MAY SHE IS RESPONSIBLE FOR MAKING SURE ALL REQUIRED PERSONS RETURN THE SURVEY ALL POTENTIAL CONFLICTS NOTED IN THE SURVEY RESPONSES ARE THEN FORWARDED TO THE AUDIT COMMITTEE OF THE BOARD OF TRUSTEES FOR REVIEW

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Section B, line 15		THE SCHOOL COLLECTS SALARY INFORMATION FROM A GROUP OF 40 BOARDING SCHOOLS FOR ALL KEY EMPLOYEE POSITIONS. THIS INFORMATION IS REVIEWED BY THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES FOR SETTING THE HEADMASTER'S SALARY. THE HEADMASTER USES THIS INFORMATION IN SETTING THE SALARIES FOR THE REST OF THE SCHOOL EMPLOYEES.

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Section C, line 19		THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C		THE PROCESS BY WHICH THE ORGANIZATION APPOINTS A COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED FROM THE PRIOR YEAR

**Additional Data**

**Software ID:**  
**Software Version:**  
**EIN:** 23-1352647  
**Name:** THE HILL SCHOOL

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(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			
THOMAS MCN MILLHISER CHAIRMAN	10 00	X		X			0	0	0
MARSHALL F WALLACH VICE CHAIRMAN	4 00	X		X			0	0	0
PRESTON G ATHEY BOARD MEMBER	2 00	X					0	0	0
JAY S BERMAN BOARD MEMBER	3 00	X					0	0	0
DOUGLAS J BOUQUARD III BOARD MEMBER	2 00	X					0	0	0
WALTER L BOYER BOARD MEMBER	2 00	X					0	0	0
OMAR AS BROWN BOARD MEMBER	2 00	X					0	0	0
D SCOTT DETAR JR BOARD MEMBER	2 00	X					0	0	0
DAVID D DODGE BOARD MEMBER	2 00	X					0	0	0
DANIEL W FORT BOARD MEMBER	2 00	X					0	0	0
DR H LANDIS GABEL BOARD MEMBER	2 00	X					0	0	0
KEITH B GEESLIN BOARD MEMBER	2 00	X					0	0	0
PETER G HUMPHREY BOARD MEMBER	3 00	X					0	0	0
GEORGE O KNAPP III BOARD MEMBER	2 00	X					0	0	0
JEANNE MCANANEY BOARD MEMBER	2 00	X					0	0	0
MAJ GEN DOUGLAS V O'DELL BOARD MEMBER	2 00	X					0	0	0
JAMES P O'MEALIA BOARD MEMBER	2 00	X					0	0	0
SUNG-BIN PARK BOARD MEMBER	2 00	X					0	0	0
JAMES B PERRY BOARD MEMBER	2 00	X					0	0	0
JOHN PFLIEGER JR BOARD MEMBER	2 00	X					0	0	0
GEOFFREY A RICHARDS BOARD MEMBER	2 00	X					0	0	0
ELIZABETH B Rufe BOARD MEMBER	2 00	X					0	0	0
RICHARD C SAMMIS BOARD MEMBER	3 00	X					0	0	0
GARY P TAN BOARD MEMBER	2 00	X					0	0	0
DAVID H TENNEY BOARD MEMBER	2 00	X					0	0	0

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(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	Office	Key employee	Highest compensated employee			
MICHAEL M UHLMANN BOARD MEMBER	2 00	X					0	0	0
JONATHAN P WENDELL BOARD MEMBER	3 00	X					0	0	0
DAVID R DOUGHERTY HEADMASTER	40 00			X			287,705	0	72,966
DONALD D SILVERSON TREASURER & CFO	40 00			X			173,477	0	59,417
D ANDREW BROWN DIRECTOR OF ADVANCEMENT	40 00				X		167,959	0	67,042
RYCKMAN R WALBRIDGE ASST HEADMASTER FOR ACA	40 00				X		112,167	0	54,046
CHRISTIAN P SOCKEL DIRECTOR CAPITAL GIVING	40 00				X		122,158	0	45,754
JENNIFER E LAGOR ASST HEAD STUDENT LIFE	40 00				X		105,850	0	106,723
CRAIG C ALLEN DIRECTOR COLLEGE ADVISIN	40 00				X		102,673	0	101,550

**Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses**

<i><b>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</b></i>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
FOOD SERVICE	1,433,882	1,433,882		
REPAIRS & MAINTENANCE	940,530	841,774	84,648	14,108
INSTRUCTIONAL	889,725	889,725		
AUTO-GROUNDS-HOUSEKEEPING	551,109	493,242	49,600	8,267
STUDENT ACTIVITIES	517,020	517,020		

Form 4562

Depreciation and Amortization  
(Including Information on Listed Property)

OMB No 1545-0172

2009

Department of the Treasury  
Internal Revenue Service

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

Attachment  
Sequence No 67Name(s) shown on return  
THE HILL SCHOOLBusiness or activity to which this form relates  
Form 990 Page 10Identifying number  
23-1352647**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	

6	(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 <b>smaller</b> of line 5 or line 8 . . . . .	9			
10 Carryover of disallowed deduction from line 13 of your 2008 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 2010 Add lines 9 and 10, less line 11 ►	13			

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

<b>Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)</b>		
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	1,967,034

**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 2009 . . . . .	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ►		

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

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

**Section C—Assets Placed in Service During 2009 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

Non-Res Prop Type 1 count 0 Non-Res Prop Type 2 count 0 Non-Res Prop Totals count 0

**Part IV Summary (see instructions)**

21 Listed proper

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 instructions . . . . .	22	1,967,034
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	

**Part V**

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

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

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

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25	Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)				25			

**26** Property used more than 50% in a qualified business use

	%							
	%							
	%							

**27** Property used 50% or less in a qualified business use

	%			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	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
31						
32						
33						
34	Yes	No	Yes	No	Yes	No
35						
36						

**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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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) A amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) A amortization for this year
42	A amortization of costs that begins during your 2009 tax year (see instructions)				

43	A amortization of costs that began before your 2009 tax year	43
44	Total. Add amounts in column (f) See the instructions for where to report	44