

# Return of Organization Exempt From Income Tax

**2002**

Open to Public Inspection

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

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

Department of the Treasury  
Internal Revenue Service

**A For the 2002 calendar year, or tax year beginning 2002, and ending**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>ALLIANCE FOR EXCELLENT EDUCATION, INC</b>	<b>D</b> Employer identification number <b>11-3487339</b>
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>1101 VERMONT AVENUE NW 411</b>	<b>E</b> Telephone number <b>(202) 842-4888</b>
	City or town, state or country, and ZIP + 4 <b>WASHINGTON, DC 20005</b>	<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)
	Please use IRS label or print or type See Specific Instructions.	

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

**H** and **I** are not applicable to section 527 organizations

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes" enter number of affiliates: \_\_\_\_\_

**H(c)** Are all affiliates included? (If No attach a list See instructions)  Yes  No

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**G** Web site: **WWW.ALL4ED.ORG**

**J** Organization type (check only one):  501(c) (3) (insert no) \_\_\_\_\_ 4947(a)(1) or \_\_\_\_\_ 527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS but if the organization received a Form 990 Package in the mail it should file a return without financial data. Some states require a complete return.

**I** Enter 4-digit GEN: \_\_\_\_\_

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

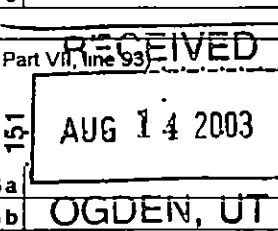
**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: **33,077,316**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)**

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received <b>STMT 1</b>				
	<b>a</b> Direct public support	<b>1a</b>	2,001,600		
	<b>b</b> Indirect public support	<b>1b</b>			
	<b>c</b> Government contributions (grants)	<b>1c</b>			
	<b>d</b> Total (add lines 1a through 1c) (cash \$ 2,001,600 noncash \$ _____)	<b>1d</b>			2,001,600
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>			
	<b>3</b> Membership dues and assessments	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments <b>STMT 2</b>	<b>4</b>			54,135
	<b>5</b> Dividends and interest from securities <b>STMT 3</b>	<b>5</b>			148,617
	<b>6a</b> Gross rents	<b>6a</b>			
	<b>b</b> Less rental expenses	<b>6b</b>	OGDEN, UT		
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>			
<b>7</b> Other investment income (describe <b>STMT 4</b> )	<b>7</b>			3,591	
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	30,869,373	<b>8a</b>			
	<b>b</b> Less cost or other basis and sales expenses	30,385,121	<b>8b</b>		
	<b>c</b> Gain or (loss) (attach schedule)	484,252	<b>8c</b>		
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>			484,252	
<b>9</b> Special events and activities (attach schedule)	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>			
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>			
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>			
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>				
	<b>b</b> Less cost of goods sold	<b>10b</b>			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>			
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>				
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>			2,692,195	
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>		984,013	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		208,257	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>		47,419	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>			1,239,689
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		1,452,506	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		11,854,603	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>STMT 5</b>	<b>20</b>		-28,496	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>			13,278,613

For Paperwork Reduction Act Notice, see the separate Instructions

SCANNED AUG 19 2003



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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C) and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	185,000	151,700	16,650	16,650
26	Other salaries and wages	227,027	186,867	27,904	12,256
27	Pension plan contributions	36,193	28,954	3,982	3,257
28	Other employee benefits	16,667	14,006	1,834	827
29	Payroll taxes	26,973	22,348	2,709	1,916
30	Professional fundraising fees				
31	Accounting fees	45,501		45,501	
32	Legal fees	35,650	15,502	20,148	
33	Supplies				
34	Telephone	18,181	13,474	3,595	1,112
35	Postage and shipping	22,885	19,997	2,068	820
36	Occupancy	78,000	63,180	9,360	5,460
37	Equipment rental and maintenance	3,100	2,511	372	217
38	Printing and publications	71,901	69,513	1,977	411
39	Travel	38,829	37,243	1,403	183
40	Conferences, conventions, and meetings	5,905	5,905		
41	Interest				
42	Depreciation depletion etc (attach schedule)	17,655	14,301	2,118	1,236
43	Other expenses not covered above (itemize) <b>STMT 6</b>	43a 410,222	338,512	68,636	3,074
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	<b>Total functional expenses</b> (add lines 22 through 43) <i>Organizations completing columns (B)-(D) carry these totals to lines 13-15</i>	1,239,689	984,013	208,257	47,419

Joint Costs Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See page 24 of the instructions)

What is the organization's primary exempt purpose? **STMT 7**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a <u>THE ALLIANCE CREATED REPORTS AND PUBLICATIONS, ORGANIZED BRIEFINGS, EVENTS AND CONFERENCES IN SUPPORT OF THE EDUCATION OF AT-RISK STUDENTS</u> (Grants and allocations \$ _____)	984,013
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	984,013

**Part IV Balance Sheets** (See page 24 of the instructions)

Note. Where required attached schedules and amounts within the description column should be for end-of-year amounts only				(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing		65,358	45	124,396
	46	Savings and temporary cash investments		3,948,200	46	2,718,302
	47a	Accounts receivable	47a			
	b	Less allowance for doubtful accounts	47b		47c	
	48a	Pledges receivable	48a			
	b	Less allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)	51a			
	b	Less allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges			53	28,341
	54	Investments - securities (attach schedule) <b>STMT 9</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> <b>STMT 8</b> FMV		7,759,011	54	10,046,568
	55a	Investments - land, buildings, and equipment basis	55a			
	b	Less accumulated depreciation (attach schedule)	55b		55c	
56	Investments - other (attach schedule)			56		
57a	Land, buildings, and equipment basis <b>STMT 11</b>	57a	97,147			
b	Less accumulated depreciation (attach schedule)	57b	21,944	82,963	57c	75,203
58	Other assets (describe <b>STMT 12</b> )		45,986	58	373,670	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		11,901,518	59	13,366,480	
Liabilities	60	Accounts payable and accrued expenses		45,115	60	87,867
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64a	Tax-exempt bond liabilities (attach schedule)			64a	
	b	Mortgages and other notes payable (attach schedule)			64b	
	65	Other liabilities (describe <b>STMT 13</b> )		1,800	65	NONE
66	<b>Total liabilities</b> (add lines 60 through 65)		46,915	66	87,867	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		11,854,603	67	13,278,613
	68	Temporarily restricted			68	
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		11,854,603	73	13,278,613
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		11,901,518	74	13,366,480

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



Part VI Other Information (See page 27 of the instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If "Yes," has it filed a tax return on Form 990-T for this year?		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? If "Yes," enter the name of the organization: _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		X
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	
81b	Did the organization file Form 1120-POL for this year?	81b	N/A
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
82b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85a	501(c)(4) (5) or (6) organizations Were substantially all dues nondeductible by members?	85a	N/A
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A
85c	Dues, assessments, and similar amounts from members	85c	N/A
85d	Section 162(e) lobbying and political expenditures	85d	N/A
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86a	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
86b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	N/A
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> N/A, section 4912 <input type="checkbox"/> N/A, section 4955 <input type="checkbox"/> N/A		
89b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
	d Enter Amount of tax on line 89c, above, reimbursed by the organization		N/A
90a	List the states with which a copy of this return is filed <input type="checkbox"/> N/A		
90b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	2
91	The books are in care of <input type="checkbox"/> ALLIANCE FOR EXCELLENT EDUC Telephone no <input type="checkbox"/> 202-842-4888 Located at <input type="checkbox"/> 1101 VERMONT AVENUE NW, WASHINGTON, DC ZIP + 4 <input type="checkbox"/> 20005		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92 <input type="checkbox"/> N/A		

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	54,135	
96 Dividends and interest from securities			14	148,617	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	3,591	
100 Gain or (loss) from sales of assets other than inventory			18	484,252	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				690,595	
105 Total (add line 104, columns (B), (D), and (E))					690,595

Note Line 105 plus line 1d, Part I should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 32 of the instructions.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 33 of the instructions)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes  No

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return and believe it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

**Please Sign Here**

Signature of officer: *Susan Probst*

Type or print name and title: **Susan Probst, President**

**Paid Preparer's Use Only**

Preparer's signature: *Mark Bell*

Firm's name (or yours if self-employed), address and ZIP + 4: **MILLER, ELLIN & CO  
750 LEXINGTON AVENUE  
NEW YORK, NY**

JSA

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

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information - (See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2002**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**ALLIANCE FOR EXCELLENT EDUCATION, INC**

Employer identification number

**11-3487339**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<b>NONE</b>				
Total number of other employees paid over \$50,000	▶ <b>NONE</b>			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>COMMUNICATION WORKS</b>		
<b>1752 N ST NW # 600, WASHINGTON, DC 20036</b>	<b>STRATEGIC PLANNING</b>	<b>146,093</b>
<b>WEBER SHANDWICK WORLDWIDE</b>		
<b>1010 HULL ST # 100, BALTIMORE, MD 21230</b>	<b>CONSULTANT</b>	<b>53,423</b>
Total number of others receiving over \$50,000 for professional services	▶ <b>NONE</b>	

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

Schedule A (Form 990 or 990-EZ) 2002

JSA  
2E1210 1 000

**Part III Statements About Activities (See page 2 of the instructions)**

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>12,074</u> (Must equal amounts on line 38, Part VI-A, or line 1 or Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)		X
4 Do you have a section 403(b) annuity plan for your employees?		X

Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

STMT 17

**Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)**

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 12  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 charitable, etc., 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) (Also complete the Support Schedule in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

**Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	NONE	9,100	10,097,500		10,106,600
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	342,977	496,753	239,275		1,079,005
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	342,977	505,853	10,336,775		11,185,605
24 Line 23 minus line 17	342,977	505,853	10,336,775		11,185,605
25 Enter 1% of line 23	3,430	5,059	103,368		
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e) line 24				26a 223,712
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 9,873,788
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 11185605
d Add Amounts from column (e) for lines 18 1,079,005 19 _____ 22 _____ 26b 9,873,788					26d 10952793
e Public support (line 26c minus line 26d total)					26e 232,812
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 2.0814 %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year				
(2001) _____ (2000) _____ (1999) <u>NOT APPLICABLE</u> (1998) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (include in the list organizations described in lines 5 through 11, as well as individuals). Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2001) _____ (2000) _____ (1999) _____ (1998) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %
28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

**Part V Private School Questionnaire** (See page 7 of the instructions)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	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?	29	
30	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?	30	
31	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 (if you need more space, attach a separate statement ) ----- ----- -----	31	
32	Does the organization maintain the following	32a	
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32b	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32c	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32d	
d	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered "No" to any of the above, please explain (if you need more space, attach a separate statement ) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?  If you answered "Yes" to any of the above, please explain (if you need more space, attach a separate statement ) ----- ----- -----	33h	
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check  a if the organization belongs to an affiliated group  
 Check  b if you checked "a" and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred )			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	NONE
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	12,074
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	38	12,074
<b>39</b>	Other exempt purpose expenditures	39	1,227,615
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	40	1,239,689
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is -                      The lobbying nontaxable amount is - Not over \$500,000                                      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000                      \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000                      \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000                      \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000                                      \$1,000,000	41	198,969
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	42	49,742
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in) ▶	<b>Lobbying Expenditures During 4-Year Averaging Period</b>				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>45</b> Lobbying nontaxable amount	198,969	158,561			357,530
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					536,295
<b>47</b> Total lobbying expenditures	12,074	NONE	<b>OPERATIONS BEGAN</b>		12,074
<b>48</b> Grassroots nontaxable amount	49,742	39,640	<b>IN 2001</b>		89,382
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					134,073
<b>50</b> Grassroots lobbying expenditures	NONE	NONE			NONE

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

NOT APPLICABLE

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h )
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h )

Yes	No	Amount
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		
N/A		

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities



FORM 990, PART I - INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS  
=====

DESCRIPTION -----	AMOUNT -----
BERNARD L. MADOFF - US GOV'T INTEREST	48,812.
CERTIFICATE OF DEPOSITS	5,323.
	-----
TOTAL	54,135.
	=====

FORM 990, PART I - DIVIDENDS AND INTEREST FROM SECURITIES  
=====

DESCRIPTION -----	AMOUNT -----
AG&J POWER OPPORTUNITY FUND, LP	4,355.
BERNARD L. MADOFF	35,601.
JPMORGAN CHASE BANK	9,824.
JPMORGAN CHASE BANK	97,028.
JPMORGAN CHASE BANK	1,809.
	-----
TOTAL	148,617.
	=====

FORM 990, PART I - OTHER INVESTMENT INCOME  
=====

DESCRIPTION  
-----

AMOUNT  
-----

AG&J POWER OPPORTUNITY FUND, LP

3,591.

TOTAL

-----  
3,591.  
=====

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED LOSS ON INVESTMENTS	28,496.
TOTAL	----- 28,496. =====



## FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
CONSULTING FEES	270,488.	267,582.	2,906.	
OFFICE EXPENSE	38,794.	22,047.	15,085.	1,662.
DUES AND SUBSCRIPTIONS	12,070.	9,699.	959.	1,412.
INSURANCE	6,010.		6,010.	
INVESTMENT ADVISORY FEES	39,098.		39,098.	
INTERNS AND TEMPORARY HELP	26,250.	22,121.	4,129.	
PROFESSIONAL FEE	10,374.	10,150.	224.	
ADVERTISING	7,138.	6,913.	225.	
TOTALS	410,222.	338,512.	68,636.	3,074

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

TO MAKE IT POSSIBLE FOR AMERICA'S SIX MILLION, AT-RISK MIDDLE AND  
AND HIGH SCHOOL STUDENTS TO ACHIEVE HIGH STANDARDS AND GRADUATE  
PREPARED FOR COLLEGE AND SUCCESS IN LIFE.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	ENDING BOOK VALUE
PREPAID EXPENSES	26,004.
DEFERRED LEGAL COSTS	2,337.
TOTALS	28,341.

FORM 990, PART IV - INVESTMENTS - SECURITIES  
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
VANGUARD ST TREASURY FUND	NONE	3,737,482.
JPMORGAN CHASE BANK	1,016,400.	NONE
WPG FARBER OVERSEAS FUND	916,572.	273,661.
HARVEST OFFSHORE INVESTORS	1,009,989.	NONE
BERNARD L MADOFF	4,816,050.	5,527,328.
AG&J POWER OPPORTUNITIES FUND	NONE	508,097.
	-----	-----
TOTALS	7,759,011.	10,046,568.
	=====	=====

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

=====

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL				ACCUMULATED DEPRECIATION DETAIL			
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
COMPUTER EQUIPMENTC	SL	23,429			23,429	2,343	4,686		7,029
TELEPHONE SYSTEM	SL	13,810		13,810		986		986	
COMPUTER EQUIPMENTC	SL	2,980		2,980		298		298	
OFFICE FURNITURE	SL	13,680			13,680	977	1,954		2,931
WEBSITE DEVELOP	SL	11,629			11,629	969	3,876		4,845
LEASEHOLD IMPROVE	SL	25,565		25,565		2,557		2,557	
LASER PRINTER	SL		1,550		1,550		431		431
OFFICE FURNITURE	SL		835		835		89		89
OFFICE FURNITURE	SL		307		307		36		36
PROJECTOR	SL		5,760		5,760		576		576
COMPUTER EQUIPMENT	SL		1,716		1,716		286		286
OFFICE FURNITURE	SL		12,693		12,693		756		756
SOFTWARE	SL		536		536		74		74
COMPUTER EQUIPMENTO	SL		3,986		3,986		443		443
COMPUTER EQUIPMENT	SL		687		687		57		57
SOFTWARE	SL		261		261		22		22
COMPUTER EQUIPMENT	SL		1,049		1,049		58		58
SOFTWARE	SL		765		765		43		43

LAND, BUILDINGS, EQUIPMENT NOT HELD FOR INVESTMENT

ASSET DESCRIPTION	METHOD/ CLASS	FIXED ASSET DETAIL				ACCUMULATED DEPRECIATION DETAIL			
		BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE	BEGINNING BALANCE	ADDITIONS	DISPOSALS	ENDING BALANCE
OFFICE FURNITURE	SL		484		484		NONE		NONE
SOFTWARE	SL		16,600		16,600		4,150		4,150
OFFICE FURNITURE	SL		1,180		1,180		118		118
TOTALS		91,093			97,147	8,130			21,944

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DIVIDENDS RECEIVABLE	10,375.	
SECURITY DEPOSITS	35,611.	7,117.
MISCELLANEOUS RECEIVABLES		51,986.
DUE FROM RELATED PARTIES		314,567.
TOTALS	----- 45,986. =====	----- 373,670. =====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION	BEGINNING BOOK VALUE
-----	-----
SECURITY DEPOSITS PAYABLE	1,800.
TOTALS	----- 1,800. =====



FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
INVESTMENT MANAGEMENT FEES	-39,098.
UNREALIZED HOLDING LOSS	-28,496.
	-----
TOTAL	-67,594.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

DESCRIPTION -----	AMOUNT -----
INVESTMENT MANAGEMENT FEES	39,098.
UNREALIZED HOLDING LOSS	28,496.
	-----
TOTAL	67,594.
	=====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
SUSAN L FROST 5601 LAMAR ROAD BETHESDA, MD 20816	EXECUTIVE DIRECTOR 40 HRS	185,000	18,500.	NONE
GERARD LEEDS 80 CUTTERMILL ROAD GREAT NECK, NY 11021	CHAIRMAN/PRES REQ	NONE	NONE	NONE
LILO LEEDS 80 CUTTERMILL ROAD GREAT NECK, NY 11021	VICE-CHAIRPERSON REQ	NONE	NONE	NONE
GREG JOBIN-LEEDS C/O THE SCHOTT FOUNDATION 678 MASSACHUSETTS AVENUE CAMBRIDGE, MA 02139	VICE-PRES/TREAS REQ	NONE	NONE	NONE
WILLIAM AARON C/O EXECUTIVE MONETARY MANAGEMENT 220 EAST 42ND STREET NEW YORK, NY 10017	SECRETARY REQ	NONE	NONE	NONE
DANIEL H LEEDS 3205 R STREET, NW WASHINGTON, DC 20007	DIRECTOR REQ	NONE	NONE	NONE
GRAND TOTALS	----- -----	185,000.	18,500.	NONE =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE PART V, FORM 990

**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

# Capital Gains and Losses

▶ Attach to Form 1041 (or Form 5227). See the separate instructions for Form 1041 (or Form 5227)

OMB No. 1545-0092

**2002**

Name of estate or trust

Employer identification number

**ALLIANCE FOR EXCELLENT EDUCATION, INC.**

**11-3487339**

**Note:** Form 5227 filers need to complete only Parts I and II

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo, day yr)	(c) Date sold (mo, day yr)	(d) Sales price	(e) Cost or other basis (see page 31)	(f) Gain or (Loss) (col (d) less col (e))
1 <b>SEE STATEMENT 1</b>			<b>26,403,836</b>	<b>25,087,114</b>	<b>1,316,722</b>
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					<b>2</b>
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					<b>3</b>
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2001 Capital Loss Carryover Worksheet					<b>4</b> ( )
5 Net short-term gain or (loss) Combine lines 1 through 4 in column (f) Enter here and on line 14 below					<b>5</b> <b>1,316,722</b>

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo day yr)	(c) Date sold (mo day yr)	(d) Sales price	(e) Cost or other basis (see page 31)	(f) Gain or (Loss) (col (d) less col (e))	(g) 28% Rate Gain or (Loss) *(see instr below)
6 <b>SEE STATEMENT 2</b>			<b>4,465,537</b>	<b>5,298,007</b>	<b>-832,470</b>	<b>NONE</b>
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					<b>7</b>	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					<b>8</b>	
9 Capital gain distributions					<b>9</b>	
10 Gain from Form 4797, Part I					<b>10</b>	
11 Long-term capital loss carryover Enter in both columns (f) and (g) the amount, if any, from line 14, of the 2001 Capital Loss Carryover Worksheet					<b>11</b> ( ) ( )	
12 Combine lines 6 through 11 in column (g)					<b>12</b>	
13 Net long-term gain or (loss) Combine lines 6 through 11 in column (f) Enter here and on line 15 below					<b>13</b> <b>-832,470</b>	

\*28% rate gain or loss includes all "collectibles gains and losses" (as defined on page 31 of the instructions) and up to 50% of the eligible gain on qualified small business stock (see page 30 of the instructions)

**Part III Summary of Parts I and II**

	(1) Beneficiaries' (see page 32)	(2) Estate's or trust's	(3) Total
14 Net short-term gain or (loss) (from line 5 above)	<b>14</b>		<b>1,316,722</b>
15 Net long-term gain or (loss)			
a Total for year (from line 13 above)	<b>15a</b>		<b>-832,470</b>
b 28% rate gain or (loss) (from line 12 above)	<b>15b</b>		
c Qualified 5 - year gain	<b>15c</b>		
d Unrecaptured section 1250 gain (see line 17 of the worksheet on page 33)	<b>15d</b>		
16 Total net gain or (loss) Combine lines 14 and 15a	<b>16</b>		<b>484,252</b>

Note If line 16 column (3) is a net gain enter the gain on Form 1041 line 4. If lines 15a and 16 column (2) are net gains go to Part V and do not complete Part IV. If line 16 column (3) is a net loss complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

For Paperwork Reduction Act Notice, see the instructions for Form 1041

Schedule D (Form 1041) 2002

**Part IV Capital Loss Limitation**

17 Enter here and enter as a (loss) on Form 1041, line 4, the smaller of  
 a The loss on line 16, column (3) or  
 b \$3,000

17	( )
----	-----

If the loss on line 16 column (3), is more than \$3,000, or if Form 1041, page 1, line 22, is a loss complete the **Capital Loss Carryover Worksheet** on page 34 of the instructions to determine your capital loss carryover

**Part V Tax Computation Using Maximum Capital Gains Rates** (Complete this part only if both lines 15a and 16 in column (2) are gains, and Form 1041, line 22 is more than zero)

**Note** If line 15b column (2) or line 15d, column (2) is more than zero, complete the worksheet on page 35 of the instructions to figure the amount to enter on lines 20 and 38 below and skip all other lines below Otherwise go to line 18

<p>18 Enter taxable income from Form 1041, line 22</p>	18		
<p>19 Enter the smaller of line 15a or 16 in column (2)</p>	19		
<p>20 If the estate or trust is filing Form 4952, enter the amount from line 4e, otherwise, enter -0- ▶</p>	20		
<p>21 Subtract line 20 from line 19 If zero or less, enter -0-</p>	21		
<p>22 Subtract line 21 from line 18 If zero or less, enter -0-</p>	22		
<p>23 Figure the tax on the amount on line 22 Use the 2002 Tax Rate Schedule on page 21 of the instructions</p>			23
<p>24 Enter the smaller of the amount on line 18 or \$1,850</p>	24		
<p>If line 24 is greater than line 22, go to line 25 Otherwise, skip lines 25 through 31 and go to line 32</p>			
<p>25 Enter the amount from line 22</p>	25		
<p>26 Subtract line 25 from line 24 If zero or less, enter -0- and go to line 32</p>	26		
<p>27 Enter the estate's or trust's allocable portion of qualified 5-year gain, if any, from line 15c, column (2)</p>	27		
<p>28 Enter the smaller of line 26 or line 27</p>	28		
<p>29 Multiply line 28 by 8% ( .08)</p>			29
<p>30 Subtract line 28 from line 26</p>	30		
<p>31 Multiply line 30 by 10% ( .10)</p>			31
<p>If the amounts on lines 21 and 26 are the same, skip lines 32 through 35 and go to line 36</p>			
<p>32 Enter the smaller of line 18 or line 21</p>	32		
<p>33 Enter the amount, if any, from line 26</p>	33		
<p>34 Subtract line 33 from line 32</p>	34		
<p>35 Multiply line 34 by 20% ( .20)</p>			35
<p>36 Add lines 23, 29, 31, and 35</p>			36
<p>37 Figure the tax on the amount on line 18 Use the 2002 Tax Rate Schedule on page 21 of the instructions</p>			37
<p>38 Tax on all taxable income (including capital gains) Enter the smaller of line 36 or line 37 here and on line 1a of Schedule G, Form 1041</p>			38







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

Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return

▶ See separate instructions

▶ Attach to your tax return

Attachment  
Sequence No. **67**

Identifying number

**11-3487339**

**ALLIANCE FOR EXCELLENT EDUCATION, INC**

Business or activity to which this form relates

**GENERAL DEPRECIATION**

**Part I Election To Expense Certain Tangible Property Under Section 179**

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

1	Maximum amount See page 2 of the instructions for a higher limit for certain businesses	1
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2
3	Threshold cost of section 179 property before reduction in limitation	3
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7	Listed property Enter the amount from line 29	7
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2001 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 2003 Add lines 9 and 10, less line 12	▶ 13

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16
		<b>17,655</b>

**Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>	

**Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

**Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary (see page 6 of the instructions)**

21	Listed property Enter amount from line 28	21
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr	22
		<b>17,655</b>
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 page 8 of the instructions for limits for passenger automobiles)**

24a Do you have evidence to support the business/investment use claimed?		Yes	<input checked="" type="checkbox"/> No	24b If "Yes," is the evidence written?		Yes	<input checked="" type="checkbox"/> 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 page 7 of the instructions)							25	
26 Property used more than 50% in a qualified business use (see page 7 of the instructions)								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions)								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

**Section B - Information on Use of Vehicles**

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

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

30 Total business/investment miles driven during the year (do not include commuting miles - see page 2 of the instructions)	(a)	(b)	(c)	(d)	(e)	(f)
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No

**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 page 8 of the instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of 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 page 9 of the instructions)		

**Note** If your answer to 37, 38, 39, 40 or 41 is "Yes" do not complete Section B for the covered vehicles

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see page 9 of the instructions)					
43 Amortization of costs that began before your 2002 tax year					43
44 Total Add amounts in column (f) See page 9 of the instructions for where to report					44

Description of Property  
GENERAL DEPRECIATION

DEPRECIATION															
Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	30% & ITC Reduction in basis	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
COMPUTER EQUIPMENT	07/01/2001	23,429	100 000			23,429	2,343	7,029	SL		5 000				4,686
TELEPHONE SYSTEM	07/01/2001	13,810	100 000			13,810	986		SL		7 000				
COMPUTER EQUIPMENT	07/01/2001	2,980	100 000			2,980	298		SL		5 000				
OFFICE FURNITURE	07/01/2001	13,680	100 000			13,680	977	2,931	SL		7 000				1,954
WEBSITE DEVELOP	10/01/2001	11,629	100 000			11,629	969	4,845	SL		3 000				3,876
LEASEHOLD IMPROVE	07/01/2001	25,565	100 000			25,565	2,557		SL		5 000				
LASER PRINTER	03/01/2002	1,550	100 000			1,550		431	SL		3 000				431
OFFICE FURNITURE	04/01/2002	835	100 000			835		89	SL		7 000				89
OFFICE FURNITURE	06/01/2002	307	100 000			307		36	SL		5 000				36
PROJECTOR	07/01/2002	5,760	100 000			5,760		576	SL		5 000				576
COMPUTER EQUIPMENT	07/01/2002	1,716	100 000			1,716		286	SL		3 000				286
OFFICE FURNITURE	08/01/2002	12,693	100 000			12,693		756	SL		7 000				756
SOFTWARE	08/01/2002	536	100 000			536		74	SL		3 000				74
COMPUTER EQUIPMENT	09/01/2002	3,986	100 000			3,986		443	SL		3 000				443
COMPUTER EQUIPMENT	10/01/2002	687	100 000			687		57	SL		3 000				57
SOFTWARE	10/01/2002	261	100 000			261		22	SL		3 000				22
COMPUTER EQUIPMENT	11/01/2002	1,049	100 000			1,049		58	SL		3 000				58
SOFTWARE	11/01/2002	765	100 000			765		43	SL		3 000				43
OFFICE FURNITURE	12/31/2002	484	100 000			484			NONE	SL	7 000				NONE
Less Retired Assets															
Subtotals															

Listed Property															
Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	30% & ITC Reduction in basis	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
Less Retired Assets															
Subtotals															
TOTALS															

AMORTIZATION														
Asset description	Date placed in service	Cost or basis				Accumulated amortization	Ending Accumulated amortization	Code	Life				Current-year amortization	
TOTALS														

\*Assets Retired  
JSA  
2X9024 1 000

Description of Property															
GENERAL DEPRECIATION															
DEPRECIATION															
Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	30% & ITC Reduction in basis	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Method	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
SOFTWARE	04/01/2002	16,600	100 000			16,600		4,150	SL		3 000				4,150
OFFICE FURNITURE	07/01/2002	1,180	100 000			1,180		118	SL		5 000				118
Less Retired Assets		42,355				42,355	3,841								
Subtotals		97,147				97,147	4,289	21,944							17,655
Listed Property															
Less Retired Assets															
Subtotals															
TOTALS		97,147				97,147	4,289	21,944							17,655
AMORTIZATION															
Asset description	Date placed in service	Cost or basis					Accumulated amortization	Ending Accumulated amortization	Code	Life					Current-year amortization
TOTALS															

\*Assets Retired  
JSA  
2X9024 1 000

Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1, 2002 - December 31, 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/ Loss</u>
The Walt Disney Co	1968	1/9/2002	44 083 20	2/15/2002	47 271 36	3 188 16
Viacom Inc	1722	1/9/2002	77 886 06	2/15/2002	75 888 54	(1 997 52)
General Electric Co	9594	1/9/2002	368 409 60	2/15/2002	359,487 18	(8 922 42)
Verizon Communications	2624	1/9/2002	128 366 08	2/15/2002	120,415 36	(7 950 72)
Home Depot Inc	2214	1/9/2002	113,135 40	2/15/2002	112,449 06	(686 34)
Wells Fargo & Co	1640	1/9/2002	71 290 80	2/15/2002	76 161 60	4,870 80
International Business Machines	1640	1/9/2002	204 016 00	2/15/2002	169 002 00	(35 014 00)
Walmart Stores Inc	4264	1/9/2002	241 768 80	2/15/2002	255 925 28	14 156 48
Intel Corp	6642	1/9/2002	233 134 20	2/15/2002	217 924 02	(15,210 18)
Exxon Mobil Corp	6642	1/9/2002	260 698 50	2/15/2002	260 299 98	(398 52)
Johnson & Johnson	2952	1/9/2002	167 732 64	2/15/2002	169 858 08	2 125 44
JP Morgan Chase & Co	1886	1/9/2002	73,025 92	2/15/2002	57 089 22	(15 936 70)
Coca Cola Co	2378	1/9/2002	105,939 90	2/15/2002	111 599 54	5 659 64
Medtronic Inc	1148	1/9/2002	55 953 52	2/15/2002	55,689 48	(264 04)
Merrill Lynch & Co	820	1/9/2002	46 477 60	2/1/2002	41,188 60	(5,289 00)
Minnesota Mng & Mfg Co	410	1/9/2002	47 191 00	2/15/2002	47 871 60	680 60
Philip Morris Companies Inc	2050	1/9/2002	97 211 00	2/15/2002	105 493 00	8 282 00
Merck & Co	2214	1/9/2002	130 116 78	2/15/2002	132 220 08	2,103 30
Microsoft Corp	5248	1/9/2002	360 747 52	2/15/2002	318 396 16	(42 351 36)
Mrgan Stanley Dean Witter Co	1066	1/9/2002	61,444 24	2/15/2002	53 715 74	(7,728 50)
American Intl Group Inc	2542	1/9/2002	194 971 40	2/15/2002	189 811 14	(5 160 26)
Oracle Corporation	5576	1/9/2002	90,833 04	2/15/2002	88 825 68	(2 007 36)
Amgen Inc	984	1/9/2002	56 088 00	2/15/2002	57,475 44	1 387 44
Pepsico Inc	1640	1/9/2002	78 244 40	2/15/2002	81,868 80	3 624 40
AOL Time Warner Inc	4182	1/9/2002	133 489 44	2/15/2002	110 530 26	(22,959 18)
Pfizer Inc	6068	1/9/2002	241 506 40	2/15/2002	250 790 44	9 284 04
American Express Company	1312	1/9/2002	48 675 20	2/15/2002	45 303 36	(3,371 84)
Procter & Gamble Co	1230	1/9/2002	95 177 40	2/15/2002	104 451 60	9 274 20
Bank of America	1476	1/9/2002	91 615 32	2/15/2002	90 626 40	(988 92)
Pharmacia Corp	1230	1/9/2002	50,430 00	2/15/2002	49 532 10	(897 90)
Bristol Myers Squibb Company	1886	1/9/2002	93 866 22	2/15/2002	86 114 76	(7,751 46)
SBC Communications Inc	3116	1/9/2002	123 393 60	2/15/2002	116,320 28	(7 073 32)
Citi Group Inc	4920	1/9/2002	245 016 00	2/15/2002	219 038 40	(25,977 60)
AT&T Corp	3362	1/9/2002	63 071 12	2/15/2002	50,833 44	(12 237 68)
Cisco Systems Inc	7216	1/9/2002	151 536 00	2/15/2002	124 692 48	(26 843 52)
Texas Instruments Inc	1640	1/9/2002	47 691 20	2/15/2002	53 250 80	5 559 60
Du Pont E I De Nemours & Co	984	1/9/2002	43 689 60	2/15/2002	44,339 04	649 44
Tyco International Ltd	1886	1/9/2002	102 598 40	2/1/2002	66 274 04	(36 324 36)
Anheuser Busch Cos Inc	943	2/1/2002	44 641 62	2/15/2002	45 594 05	952 43
			4 885 163 12		4 663 618 39	(221 544 73)

Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1 2002 - December 31, 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
Microsoft Corp	5 504	3/1/2002	324 901 12	4/10/2002	308,939 52	(15,961 60)
Mrgan Stanley Dean Witter Co	1 118	3/1/2002	55 083 86	4/11/2002	59,779 46	4 695 60
American Intl Group Inc	2 580	3/1/2002	189 913 80	4/10/2002	192,984 00	3 070 20
Amgen Inc	1 032	3/1/2002	60 062 40	4/11/2002	60 279 12	216 72
Oracle Corporation	5,246	3/1/2002	86 349 16	4/10/2002	60 276 54	(26 072 62)
AOL Time Warner Inc	4,558	3/1/2002	114 086 74	4/10/2002	93,849 22	(20 237 52)
Pepsico Inc	1 720	3/1/2002	87 668 40	4/10/2002	89 887 20	2 218 80
American Express Company	1 376	3/1/2002	49 948 80	4/10/2002	57 007 68	7 058 88
Pfizer Inc	6 278	3/1/2002	258 590 82	4/10/2002	246 788 18	(11,802 64)
Bank of America	1 548	3/1/2002	99 397 08	4/11/2002	107 926 56	8 529 48
Procter & Gamble Co	1 290	3/1/2002	109 920 90	4/11/2002	118 692 90	8 772 00
Bristol Myers Squibb Company	1 978	3/1/2002	93,183 58	4/11/2002	61 792 72	(31,390 86)
Pharmacia Corp	1 290	3/1/2002	53 393 10	4/11/2002	58,785 30	5,392 20
Anheuser Busch Cos Inc	860	3/1/2002	43 774 00	3/13/2002	43 688 00	(86 00)
SBC Communications Inc	3,354	3/1/2002	128 491 74	4/10/2002	119 435 94	(9 055 80)
Citi Group Inc	5,160	3/1/2002	232 200 00	4/10/2002	250,414 80	18 214 80
AT&T Corp	3 526	3/1/2002	55 887 10	4/11/2002	49 998 68	(5 888 42)
Cisco Systems Inc	7 482	3/1/2002	108 563 82	4/11/2002	115,896 18	7 332 36
Texas Instruments Inc	1 806	3/1/2002	54 378 66	4/11/2002	57 575 28	3 196 62
Du Pont E I De Nemours & Co	1 032	3/1/2002	48 989 04	3/13/2002	48 937 44	(51 60)
Tyco International Ltd	2 064	3/1/2002	60 516 48	4/10/2002	64 479 36	3 962 88
The Walt Disney Co	2,064	3/1/2002	47 472 00	4/10/2002	49 556 64	2,084 64
Viacom Inc	1 806	3/1/2002	84 340 20	4/11/2002	89 776 26	5 436 06
General Electnc Co	9,890	3/1/2002	384,721 00	4/10/2002	367 512 40	(17 208 60)
Verizon Communications	2 752	3/1/2002	129 839 36	4/10/2002	120 510 08	(9 329 28)
Home Depot Inc	2 322	3/1/2002	116 564 40	4/10/2002	115 356 96	(1 207 44)
Wells Fargo & Co	1 720	3/1/2002	81 132 40	4/11/2002	84,968 00	3 835 60
International Business Machines	1 806	3/1/2002	178 089 66	4/10/2002	160 481 16	(17 608 50)
Walmart Stores Inc	4 472	3/1/2002	278 471 44	4/10/2002	270,556 00	(7 915 44)
Intel Corp	7 052	3/1/2002	205 001 64	4/10/2002	206 412 04	1 410 40
Exxon Mobil Corp	6 794	3/1/2002	283 785 38	4/10/2002	292 617 58	8 832 20
Johnson & Johnson	3 096	3/1/2002	188,360 64	4/10/2002	196 317 36	7 956 72
JP Morgan Chase & Co	1 978	3/1/2002	58 568 58	4/11/2002	68 656 38	10 087 80
Coca Cola Co	2 494	3/1/2002	117 392 58	4/10/2002	135 174 80	17 782 22
Medtronic Inc	1,204	3/1/2002	53,722 48	4/11/2002	55 733 16	2 010 68
Minnesota Mng & Mfg Co	430	3/1/2002	50 783 00	3/13/2002	52,331 00	1 548 00
Philip Morris Companies Inc	2 150	3/1/2002	112,961 00	4/10/2002	115 089 50	2 128 50
Merck & Co	2,322	3/1/2002	142,547 58	4/10/2002	123 135 66	(19 411 92)
			<u>4 829 053 94</u>		<u>4 771 599 06</u>	<u>(57 454 88)</u>

Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1, 2002 - December 31 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/ Loss</u>
Merck & Co	2 538	5/7/2002	140 046 84	6/5/2002	138 092 58	(1 954 26)
Microsoft Corp	6 674	5/7/2002	323 822 48	6/5/2002	339,172 68	15 350 20
Morgan Stanley Dean Witter Co	1,316	5/7/2002	58 154 04	6/5/2002	58,996 28	842 24
Banc One Corp	1,316	5/7/2002	53,021 64	5/20/2002	55 416 76	2,395 12
Oracle Corporation	7 144	5/7/2002	55,080 24	5/21/2002	66 510 64	11 430 40
American Intl Group Inc	2 914	5/7/2002	197,277 80	6/5/2002	189 934 52	(7 343 28)
Pepsico Inc	1 880	5/7/2002	97 158 40	6/5/2002	97,572 00	413 60
Amgen Inc	1 222	5/7/2002	56 383 08	6/5/2002	54,562 30	(1 820 78)
Pfizer Inc	7 144	5/7/2002	255 612 32	6/5/2002	246 539 44	(9 072 88)
AOL Time Warner Inc	5 076	5/7/2002	88 220 88	6/4/2002	88 677 72	456 84
Procter & Gamble Co	1 410	5/7/2002	129 550 80	5/31/2002	126,265 50	(3 285 30)
American Express Company	1 504	5/7/2002	61 483 52	6/3/2002	64 085 44	2,601 92
Pharmacia Corp	1 504	5/7/2002	59 077 12	6/4/2002	61,979 84	2 902 72
Bank of America	1,692	5/7/2002	123 346 80	6/5/2002	125,546 40	2,199 60
SBC Communications Inc	3,760	5/7/2002	115,281 60	6/5/2002	127 088 00	11,806 40
Bristol Myers Squibb Company	2 162	5/7/2002	60 925 16	6/4/2002	63 670 90	2 745 74
AT & T Corp	4,042	5/7/2002	54,728 68	5/20/2002	53 031 04	(1 697 64)
Citi Group Inc	5 922	5/7/2002	249,612 30	6/5/2002	250 559 82	947 52
Texas Instruments Inc	2 068	5/7/2002	57 035 44	6/4/2002	58 110 80	1,075 36
Cisco Systems Inc	10 340	5/7/2002	129,353 40	6/5/2002	165 957 00	36 603 60
Viacom Inc	1 974	5/7/2002	91 277 76	6/4/2002	98 838 18	7 560 42
The Walt Disney Co	2,256	5/7/2002	52,023 36	5/20/2002	55 429 92	3 406 56
Verizon Communications	3 102	5/7/2002	123 676 74	6/5/2002	132 300 30	8 623 56
General Electric Co	11 562	5/7/2002	354,722 16	6/5/2002	349,634 88	(5 087 28)
Wells Fargo & Co	1 880	5/7/2002	96 970 40	6/5/2002	96 425 20	(545 20)
Home Depot Inc	2 632	5/7/2002	118 992 72	6/5/2002	107 596 16	(11,396 56)
Wal-Mart Stores Inc	5 076	5/7/2002	274 966 92	6/5/2002	282,225 60	7,258 68
Hewlett Packard Co	3,572	5/7/2002	66 439 20	6/5/2002	66 796 40	357 20
Exxon Mobil Corp	7 614	5/7/2002	298 088 10	6/5/2002	299 534 76	1 446 66
International Business Machines	2,068	5/7/2002	157 747 04	6/5/2002	166 494 68	8 747 64
Intel Corp	8 272	5/7/2002	212 590 40	6/5/2002	230 127 04	17,536 64
Johnson & Johnson	3,384	5/7/2002	204 258 24	6/5/2002	200,231 28	(4 026 96)
JP Morgan Chase & Co	2,256	5/7/2002	78 666 72	6/3/2002	80 990 40	2,323 68
Coca Cola Co	2 726	5/7/2002	153 746 40	6/5/2002	149 766 44	(3 979 96)
Medtronic Inc	1 316	5/7/2002	56 443 24	6/5/2002	60 075 40	3,632 16
3M Company	470	5/7/2002	58 322 30	5/20/2002	60 850 90	2 528 60
Philip Morris Companies Inc	2 350	5/7/2002	130 660 00	6/5/2002	135 477 50	4,817 50
			<u>4 894,764 24</u>		<u>5 004 564 70</u>	<u>109 800 46</u>

Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1, 2002 - December 31, 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/ Loss</u>
A T & T Corp	6 026	7/24/2002	49,955 54	8/16/2002	62 971 70	13 016 16
Gillette Co	1 572	7/24/2002	47 049 96	8/16/2002	48 684 84	1 634 88
Texas Instruments Inc	2 620	7/24/2002	59,736 00	8/16/2002	57 666 20	(2 069 80)
General Electric Co	15,327	7/24/2002	366,315 30	8/16/2002	483 260 31	116,945 01
U S Bancorp	3,013	7/24/2002	51,823 60	8/16/2002	66 527 04	14,703 44
Home Depot Inc	3 668	7/24/2002	100,136 40	8/16/2002	102 997 44	2 861 04
Viacom	2 751	7/24/2002	82 254 90	8/16/2002	116 064 69	33 809 79
Hewlett Packard Co	4 716	7/24/2002	51,027 12	8/16/2002	71 117 28	20 090 16
Verizon Communications	4 323	7/24/2002	112,614 15	8/16/2002	136 952 64	24 338 49
International Business Machines	2 620	7/24/2002	172 527 00	8/16/2002	207 766 00	35 239 00
Wells Fargo & Co New	2 620	7/24/2002	108 913 40	8/16/2002	134 615 60	25 702 20
Intel Corp	10 349	7/24/2002	176 864 41	8/16/2002	193 629 79	16 765 38
Wal Mart Stores Inc	6 812	7/24/2002	300 681 68	8/16/2002	366 281 24	65 599 56
Johnson & Johnson	4 454	7/24/2002	196 599 56	8/16/2002	246 350 74	49,751 18
Exxon Mobil Corp	10,218	7/24/2002	311 853 36	8/16/2002	376,124 58	64 271 22
JP Morgan Chase & Co	3 275	7/24/2002	59 932 50	8/16/2002	81 252 75	21 320 25
Coca Cola Co	3,799	7/24/2002	165 940 32	8/16/2002	198,269 81	32 329 49
Medtronic Inc	1 834	7/24/2002	59 971 80	8/16/2002	75,450 76	15 478 96
3M Company	524	7/24/2002	58 111 60	8/16/2002	66 291 24	8,179 64
Philip Morns Companies Inc	3,275	7/24/2002	141 873 00	8/16/2002	166,730 25	24,857 25
Merck & Co	3 406	7/24/2002	131 539 72	8/16/2002	170,606 54	39 066 82
Microsoft Corp	8 384	7/24/2002	347,852 16	8/16/2002	419,535 36	71,683 20
American Intl Group Inc	4 061	7/24/2002	197 120 94	8/16/2002	264 168 05	67,047 11
Morgan Stanley	1 703	7/24/2002	57,220 80	8/16/2002	75 459 93	18,239 13
Amgen Inc	1 965	7/24/2002	67 635 30	8/16/2002	93,357 15	25 721 85
AOL Time Warner	7 205	7/24/2002	76,949 40	8/16/2002	90 206 60	13 257 20
Banc One Corp	1 834	7/24/2002	58 137 80	8/16/2002	74 111 94	15 974 14
American Express Company	2 096	7/24/2002	56 696 80	8/16/2002	77 090 88	20,394 08
Oracle Corporation	8 515	7/24/2002	71 781 45	8/16/2002	88 385 70	16 604 25
Boeing Co	1 310	7/24/2002	48 836 80	8/16/2002	49 098 80	262 00
Bank of America	2 358	7/24/2002	131,411 34	8/16/2002	162,183 24	30 771 90
Pepsico Inc	2 620	7/24/2002	93 534 00	8/16/2002	116 092 20	22 558 20
Bristol Myers Squibb Company	3 013	7/24/2002	59,777 92	8/16/2002	69,299 00	9 521 08
Pfizer Inc	9 563	7/24/2002	240 509 45	8/16/2002	316 630 93	76 121 48
Anheuser Busch Cos Inc	1,310	7/24/2002	57,771 00	8/16/2002	67 504 30	9,733 30
Procter & Gamble Co	1 965	7/24/2002	153,623 70	8/16/2002	178 677 45	25 053 75
Citi Group Inc	8 253	7/24/2002	205 912 35	8/16/2002	287 782 11	81 869 76
Pharmacia Corp	1 965	7/24/2002	64,598 18	8/16/2002	86,774 40	22,176 22
Cisco Systems Inc	11 266	7/24/2002	136 205 94	8/16/2002	162 343 06	26 137 12
SBC Communications Inc	5,240	7/24/2002	116,380 40	8/16/2002	150,388 00	34,007 60
Du Pont E I De Nemours & Co	1,441	7/24/2002	52 582 09	8/16/2002	59 441 25	6 859 16
Monsanto Co	335	7/24/2002	4 193 72	8/16/2002	5 571 05	1 377 33
Monsanto Co - cash in lieu (spin off)	0 22	7/24/2002	2 75	8/19/2002	3 38	0 63
			<u>5 104 455 61</u>		<u>6 323 716 22</u>	<u>1 219,260 61</u>



Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1 2002 - December 31 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/Loss</u>
American Intl Group Inc	3 630	10/16/2002	231 448 80	11/15/2002	244 190 10	12 741 30
Amgen Inc	1,815	10/16/2002	90 568 50	11/15/2002	86 956 65	(3 611 85)
Pepsico Inc	2,541	10/16/2002	107 611 35	11/15/2002	113 582 70	5 971 35
AOL Time Warner Inc	6,776	10/16/2002	78 533 84	11/15/2002	103 943 84	25 410 00
Pfizer Inc	8 833	10/16/2002	280 977 73	11/15/2002	291 842 32	10 864 59
American Express Company	1 936	10/16/2002	64 159 04	11/15/2002	72 116 00	7 956 96
Procter & Gamble Co	1 815	10/16/2002	163,658 55	11/15/2002	157 451 25	(6 207 30)
Bank of America	2 178	10/16/2002	141,940 26	11/15/2002	149 454 36	7 514 10
Pharmacia Corp	1 815	10/16/2002	77,319 00	11/15/2002	81,729 45	4 410 45
Bristol Myers Squibb Company	2 783	10/16/2002	63 591 55	11/15/2002	66,708 51	3,116 96
SBC Communications Inc	4 719	10/16/2002	112,265 01	11/15/2002	118,022 19	5,757 18
Anheuser Busch Cos Inc	1,210	10/16/2002	65 134 30	11/15/2002	62 157 70	(2 976 60)
AT&T Corp	5 324	10/16/2002	66 975 92	11/15/2002	74,855 44	7 879 52
Citi Group Inc	7,260	10/16/2002	243 863 40	11/15/2002	264 264 00	20,400 60
U S Bancorp	2 783	10/16/2002	54 435 48	10/21/2002	56 968 01	2 532 53
Cisco Systems Inc	10 406	10/16/2002	107 806 16	11/15/2002	146 204 30	38 398 14
Viacom Inc	2 420	10/16/2002	106 843 00	11/15/2002	108 706 40	1 863 40
Du Pont E I De Nemours & Co	1 452	10/16/2002	60 127 32	11/15/2002	61 797 12	1 669 80
Verizon Communications	3 872	10/16/2002	136,294 40	11/15/2002	152 285 76	15 991 36
General Electric Co	14 278	10/16/2002	370 228 54	11/15/2002	340 101 96	(30 126 58)
Wells Fargo & Co New	2 420	10/16/2002	120 032 00	11/15/2002	115 966 40	(4 065 60)
Homa Depot Inc	3 388	10/16/2002	97 913 20	11/15/2002	95 507 72	(2 405 48)
Wal-Mart Stores Inc	6,292	10/16/2002	354 365 44	11/15/2002	347 821 76	(6 543 68)
Hewlett Packard Co	4 356	10/16/2002	57 804 12	11/15/2002	73 616 40	15 812 28
Exxon Mobil Corp	9 317	10/16/2002	339 045 63	11/15/2002	321,250 16	(17 795 47)
International Business Machines	2 541	10/16/2002	169,586 34	11/15/2002	202 466 88	32,880 54
Intel Corp	9 680	10/16/2002	131 841 60	11/15/2002	179 370 40	47 528 80
Johnson & Johnson	4 114	10/16/2002	244 330 46	11/15/2002	246 716 58	2 386 12
Coca Cola Co	3 388	10/16/2002	163 572 64	11/15/2002	154 696 08	(8 876 56)
Medtronic Inc	1 815	10/16/2002	77,700 15	11/15/2002	85 722 45	8 022 30
3M Company	605	10/16/2002	75 594 75	11/15/2002	78,045 00	2 450 25
Philip Morris Companies Inc	2 904	10/16/2002	116,450 40	11/15/2002	110 497 20	(5 953 20)
Merck & Co	3 146	10/16/2002	160 760 60	11/15/2002	172 935 62	12 175 02
Microsoft Corp	7,744	10/16/2002	390 297 60	11/15/2002	435 290 24	44 992 64
Morgan Stanley	1,573	10/16/2002	57,854 94	11/15/2002	65 782 86	7 927 92
Bank One Corp	1 694	10/16/2002	67 099 34	11/15/2002	64 338 12	(2 761 22)
Oracle Corporation	8,107	10/16/2002	75 395 10	11/15/2002	86 744 90	11 349 80
			<u>5,323 426 46</u>		<u>5 590 106 83</u>	<u>266 680 37</u>
Year to date			<u>25 036 863 37</u>		<u>26,353 605 20</u>	<u>1 316 741 83</u> Short Term

The Alliance for Excellent Education  
 Bernard L. Madoff a/c # N-0021-4-0  
 January 1, 2002 - December 31, 2002

	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Short Term Capital Gain/Loss</u>
S&P 100 Index January 590 Put	82	1/9/2002	40,262 00	1/18/2002	121,032 00	80,770 00
S&P 100 Index January 600 Call **	82	1/22/2002	-	1/9/2002	40,918 00	40,918 00
S&P 100 Index February 575 Put	82	1/18/2002	100,122 00	2/15/2002	125,870 00	25,748 00
S&P 100 Index February 585 Call **	82	2/19/2002	-	1/22/2002	76,998 00	76,998 00
S&P 100 Index March 565 Put	86	3/1/2002	69,746 00	3/18/2002	-	(69,746 00)
S&P 100 Index March 575 Call	86	3/14/2002	87,806 00	3/1/2002	49,794 00	(38,012 00)
S&P 100 Index April 595 Call	86	4/10/2002	1,806 00	3/14/2002	86,774 00	84,968 00
S&P 100 Index April 585 Put	86	3/14/2002	111,886 00	4/11/2002	305,644 00	193,758 00
S&P 100 Index May 530 Call	94	5/17/2002	219,020 00	5/7/2002	34,686 00	(184,334 00)
S&P 100 Index May 520 Put **	94	5/7/2002	79,994 00	5/20/2002	-	(79,994 00)
S&P 100 Index June 560 Call	94	6/5/2002	3,854 00	5/17/2002	78,866 00	75,012 00
S&P 100 Index June 550 Put	94	5/17/2002	100,674 00	6/5/2002	311,046 00	210,372 00
S&P 100 Index August 390 Put **	131	7/24/2002	212,351 00	8/19/2002	-	(212,351 00)
S&P 100 Index August 400 Call	131	8/16/2002	896,564 00	7/24/2002	183,269 00	(713,295 00)
S&P 100 Index August 450 Call	131	8/13/2002	69,561 00	8/16/2002	241,564 00	172,003 00
S&P 100 Index August 450 Put **	131	8/13/2002	120,651 00	8/19/2002	-	(120,651 00)
S&P 100 Index August 455 Call	131	8/16/2002	176,064 00	8/13/2002	92,879 00	(83,185 00)
S&P 100 Index October 440 Put **	121	10/16/2002	86,031 00	10/18/2002	-	(86,031 00)
S&P 100 Index October 450 Call **	121	10/18/2002	-	10/16/2002	27,709 00	27,709 00
S&P 100 Index November 455 Call	121	11/15/2003	93,291 00	10/18/2002	163,229 00	69,938 00
S&P 100 Index November 445 Put **	121	10/18/2002	187,671 00	11/18/2002	-	(187,671 00)
			<u>2,657,354 00</u>		<u>1,940,278 00</u>	<u>(717,076 00)</u>

\*\* Expire worthless

JP Morgan #A 24668-00-5  
 January 1, 2002 through December 31, 2002  
 Capital Gains/Loss schedule

**JPM Inst'l Short Term Bond Fund**

Buy Date	Purchases		Total Cost	Sell Date	Proceeds	Capital Gain/Loss
	Quantity	Cost per Share				
7/1/1999	36,842	105 9 69	357 000 00	12/27/2002	366,947 37	9 947 37 L
7/30/1999	166	081 9 66	1,604 34	12/27/2002	1,654 17	49 83 L
8/27/1999	52,645	963 9 66	508 560 00	12/27/2002	524,353 79	15 793 79 L
8/31/1999	186	771 9 65	1 802 34	12/27/2002	1,860 24	57 90 L
9/30/1999	406	240 9 68	3,932 40	12/27/2002	4,046 15	113 75 L
10/29/1999	424	880 9 67	4,108 59	12/27/2002	4,231 80	123 21 L
11/30/1999	444	597 9 67	4,299 25	12/27/2002	4 428 19	128 94 L
12/31/1999	465	689 9 65	4 493 90	12/27/2002	4 638 26	144 36 L
1/31/2000	467	666 9 61	4 494 27	12/27/2002	4,657 95	163 68 L
2/29/2000	461	026 9 61	4,430 46	12/27/2002	4,591 82	161 36 L
3/31/2000	488	395 9 58	4,678 82	12/27/2002	4,864 41	185 59 L
4/30/2000	487	929 9 58	4,674 36	12/27/2002	4,859 77	185 41 L
5/31/2000	503	142 9 57	4,815 07	12/27/2002	5 011 29	196 22 L
6/30/2000	497	489 9 57	4 760 97	12/27/2002	4 954 99	194 02 L
7/31/2000	518	276 9 58	4 965 08	12/27/2002	5 162 03	196 95 L
8/31/2000	516	899 9 57	4 946 72	12/27/2002	5,148 31	201 59 L
9/29/2000	504	242 9 60	4,840 72	12/27/2002	5,022 25	181 53 L
10/31/2000	524	773 9 58	5,027 33	12/27/2002	5 226 74	199 41 L
11/30/2000	515	095 9 65	4 970 67	12/27/2002	5,130 35	159 68 L
12/29/2000	533	106 9 71	5 176 46	12/27/2002	5,309 74	133 28 L
1/31/2001	527	736 9 74	5 140 15	12/27/2002	5 256 25	116 10 L
2/28/2001	472	494 9 77	4 616 27	12/27/2002	4 706 04	89 77 L
3/30/2001	496	746 9 79	4,863 14	12/27/2002	4,947 59	84 45 L
4/30/2001	476	894 9 74	4,644 95	12/27/2002	4,749 86	104 91 L
5/31/2001	476	694 9 75	4 647 77	12/27/2002	4,747 87	100 10 L
6/29/2001	447	094 9 75	4 359 17	12/27/2002	4,453 06	93 89 L
7/31/2001	431	847 9 83	4 245 06	12/27/2002	4 301 20	56 14 L
8/31/2001	413	497 9 86	4 077 08	12/27/2002	4 118 43	41 35 L
9/28/2001	382	097 9 96	3 805 69	12/27/2002	3 805 69	(0 00) L
10/31/2001	356	808 10 03	3,578 78	12/27/2002	3 553 81	(24 97) L
11/30/2001	320	981 9 95	3,193 76	12/27/2002	3,196 97	3 21 L
12/7/2001	367	239 9 86	3,620 98	12/27/2002	3 657 70	36 72 L
12/31/2001	337	188 9 89	3 334 79	12/27/2002	3,358 39	23 60 S
1/31/2002	329	801 9 90	3,265 03	12/27/2002	3,284 82	19 79 S
2/28/2002	314	419 9 91	3 115 89	12/27/2002	3 131 61	15 72 S
3/28/2002	324	543 9 82	3 187 01	12/27/2002	3,232 45	45 44 S
4/30/2002	285	251 9 92	2,829 69	12/27/2002	2,841 10	11 41 S
5/31/2002	277	060 9 93	2,751 21	12/27/2002	2 759 52	8 31 S
6/28/2002	284	697 9 96	2,835 58	12/27/2002	2 835 58	- S
7/31/2002	287	611 10 04	2 887 61	12/27/2002	2 864 61	(23 01) S
8/30/2002	288	138 10 05	2 895 79	12/27/2002	2,869 85	(25 93) S
9/30/2002	276	917 10 11	2 799 63	12/27/2002	2 758 09	(41 54) S
10/31/2002	259	607 10 12	2 627 22	12/27/2002	2,585 69	(41 54) S
11/29/2002	275	247 10 06	2 768 98	12/27/2002	2 741 46	(27 52) S
12/12/2002	546	406 9 95	5,436 74	12/27/2002	5,442 20	5 46 S
12/12/2002	956	371 9 95	9 515 89	12/27/2002	9 525 46	9 56 S
<hr/>						
	107,813	747	1 044 625 62		1 073,824 92	29 199 30
<hr/>						
L - Long Term	102,770	491	994 374 55		1,023,594 09	29,219 55
S - Short Term	5 043	256	50 251 07		50,230 83	(20 24)

Alliance for Excellent Education  
 Bernard L. Madoff a/c # 1-N0021-3-0  
 January 1, 2002 - December 31, 2002  
 Capital Gains/Loss Schedule

<u>Description</u>	<u>Quantity</u>	<u>Buy Date</u>	<u>Cost</u>	<u>Sell Date</u>	<u>Proceeds</u>	<u>Gain/ Loss</u>
US Treasury Bill Due 5/23/2002	2 425,000	12/31/2001	2 408 510 00	1/11/2002	2 410 692 50	2 182 50
US Treasury Bill Due 5/30/2002	2 425 000	12/31/2001	2 407,540 00	1/11/2002	2 409,722 50	2 182 50
US Treasury Bill Due 4/18/2002	100 000	1/23/2002	99 600 00	2/21/2002	99 740 00	140 00
US Treasury Bill Due 4/18/2002	50 000	2/6/2002	49 835 00	2/21/2002	49,870 00	35 00
US Treasury Bill Due 4/25/2002	50 000	2/19/2002	49 845 00	2/21/2002	49,850 00	5 00
US Treasury Bill Due 5/02/2002	50,000	2/19/2002	49,830 00	2/21/2002	49,835 00	5 00
US Treasury Bill Due 7/18/2002	2 425 000	2/21/2002	2,407,540 00	3/5/2002	2 408 995 00	1 455 00
US Treasury Bill Due 7/25/2002	2 425 000	2/21/2002	2,406 570 00	3/5/2002	2 408 025 00	1,455 00
US Treasury Bill Due 6/06/2002	300 000	4/12/2002	299 250 00	4/23/2002	299,400 00	150 00
US Treasury Bill Due 7/18/2002	1 200 000	4/15/2002	1 194 720 00	4/23/2002	1,195 200 00	480 00
US Treasury Bill Due 7/25/2002	1 200 000	4/15/2002	1,194 360 00	4/23/2002	1,194 720 00	360 00
US Treasury Bill Due 8/01/2002	1 200 000	4/15/2002	1 193 880 00	4/23/2002	1 194 360 00	480 00
US Treasury Bill Due 8/08/2002	525,000	4/16/2002	522,112 50	4/23/2002	522 322 50	210 00
US Treasury Bill Due 8/15/2002	525 000	4/16/2002	521,902 50	4/23/2002	522 112 50	210 00
US Treasury Bill Due 7/11/2002	2 475 000	4/23/2002	2 465 842 50	5/9/2002	2 467 822 50	1 980 00
US Treasury Bill Due 7/18/2002	2,475,000	4/23/2002	2 464 852 50	5/9/2002	2 466 832 50	1 980 00
US Treasury Bill Due 8/29/2002	25 000	5/23/2002	24,882 50	7/19/2002	24 952 75	70 25
US Treasury Bill Due 8/29/2002	50 000	5/24/2002	49 770 00	7/19/2002	49,905 50	135 50
US Treasury Bill Due 9/12/2002	125 000	6/5/2002	124 412 50	7/19/2002	124 682 50	270 00
US Treasury Bill Due 9/12/2002	450 000	6/6/2002	447 930 00	7/19/2002	448,857 00	927 00
US Treasury Bill Due 9/12/2002	375 000	6/7/2002	373 275 00	7/19/2002	374,047 50	772 50
US Treasury Bill Due 9/12/2002	4 075 000	6/10/2002	4,056 662 50	7/19/2002	4 064 649 50	7 987 00
US Treasury Bill Due 8/29/2002	25 000	6/25/2002	24 925 00	7/19/2002	24,952 75	27 75
US Treasury Bill Due 12/05/2002	5 150 000	7/19/2002	5 116,988 50	7/25/2002	5 119 563 50	2 575 00
US Treasury Bill Due 12/12/2002	5 400,000	8/21/2002	5 373 054 00	8/26/2002	5 373 756 00	702 00
US Treasury Bill Due 2/13/2003	2 700 000	8/26/2002	2 678,967 00	10/18/2002	2 685 933 00	6,966 00
US Treasury Bill Due 2/20/2003	2,700 000	8/26/2002	2 678 238 00	10/18/2002	2 685 096 00	6 858 00
US Treasury Bill Due 12/19/2002	50 000	10/24/2002	49 875 00	12/9/2002	49 983 00	108 00
US Treasury Bill Due 12/19/2002	50 000	11/8/2002	49 935 50	12/9/2002	49 983 00	47 50
US Treasury Bill Due 3/06/2003	2 675 000	11/20/2002	2,665 557 25	12/30/2002	2 669 543 00	3 985 75
US Treasury Bill Due 3/13/2003	2,675 000	11/20/2002	2 664 915 25	12/30/2002	2 668,901 00	3 985 75
US Treasury Bill Due 3/20/2003	100 000	12/9/2002	99 666 00	12/30/2002	99 750 00	84 00
			-----			
			46 215 244 00		-----	
					46 264 056 00	-----
						48 812 00 US T-bill Interest

## Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

**Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

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

**Note** Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065 1066, or 1041

Type or print  File by the due date for filing your return See instructions	Name of Exempt Organization <b>ALLIANCE FOR EXCELLENT EDUCATION, INC</b>	Employer identification number <b>11-3487339</b>
	Number, street, and room or suite no If a P O box, see instructions <b>1101 VERMONT AVENUE NW</b>	
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>WASHINGTON, DC 20005</b>	

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

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

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

**1** I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 08/15, 2003 to file the exempt organization return for the organization named above The extension is for the organization's return for  
 ▶  calendar year 2002 or  
 ▶  tax year beginning \_\_\_\_\_, \_\_\_\_\_, and ending \_\_\_\_\_, \_\_\_\_\_

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

**3a** If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ \_\_\_\_\_

**b** If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

**c Balance Due** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ \_\_\_\_\_

### Signature and Verification

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

Signature ▶ \_\_\_\_\_ Title ▶ **ATTORNEY** Date ▶ **05/13/2003**

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12 2000)