711

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2004

Open to Public Inspection

A For the 2004 calendar year, or tax year beginning 7/01/04 **, and ending** 6/30/05

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
MARRAKECH, INC.

Number and street (or P O box if mail is not delivered to street address) — Room/suite
6 LUNAR DRIVE

City or town, state or country, and ZIP + 4
WOODBRIDGE CT 06525

D Employer identification no. 23-7148533

E Telephone number

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

●**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? ☐ Yes ☐ No (If "No," att a list See instr)

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

G Website: ▶ N/A

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 Group Exemption Number ▶

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 ▶ 7,243,039

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	106,766		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	**Total** (add lines 1a through 1c) (cash $ 106,766 noncash $)			1d	106,766
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	7,103,930
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	2,344
	5	Dividends and interest from securities			5	
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7	Other investment income (describe ▶)			7	
	8a	Gross amount from sales of assets other than inventory — (A) Securities / (B) Other	8a			
	b	Less cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	
	9	Special events and activities (attach schedule) If any amount is from **gaming,** check here ▶ ☐				
	a	Gross revenue (not including $ 36,122 of contributions reported on line 1a) See Worksheet	9a	29,999		
	b	Less direct expenses other than fundraising expenses	9b	21,227		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	8,772
	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	7,221,812
Expenses	13	Program services (from line 44, column (B))			13	6,586,031
	14	Management and general (from line 44, column (C))			14	430,102
	15	Fundraising (from line 44, column (D))			15	12,903
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses** (add lines 16 and 44, column (A))			17	7,029,036
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	192,776
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	2,452,083
	20	Other changes in net assets or fund balances (attach explanation)			20	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	2,644,859

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

DAA

Form **990** (2004)

G13 16

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 22 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 $ ________ non-cash $ ________)	22				
23 Specific assistance to individuals	23				
24 Benefits paid to or for members	24				
25 Compensation of officers, directors, etc	25	285,734	276,696		9,038
26 Other salaries and wages	26	3,527,843	3,527,843		
27 Pension plan contributions	27	187,842	187,842		
28 Other employee benefits	28	475,133	475,133		
29 Payroll taxes	29	280,299	280,299		
30 Professional fundraising fees	30				
31 Accounting fees	31	100,866	100,866		
32 Legal fees	32	4,490	4,490		
33 Supplies	33	76,712	76,712		
34 Telephone	34	63,092	63,092		
35 Postage and shipping	35	21,691	20,191		1,500
36 Occupancy	36	374,268	374,268		
37 Equipment rental and maintenance	37	144,527	144,527		
38 Printing and publications	38	2,365			2,365
39 Travel	39	72,505	72,505		
40 Conferences, conventions, and meetings	40				
41 Interest	41	278,528	278,528		
42 Depreciation, depletion, etc (attach schedule)	42	203,566	203,566		
43 Other expenses not covered above (itemize) a	43a				
b See Statement 1	43b	929,575	499,473	430,102	
c	43c				
d	43d				
e	43e				
44 **Total functional expenses** (add lines 22 - 43) **Organizations completing columns (B)-(D), carry these totals to lines 13-15**	44	7,029,036	6,586,031	430,102	12,903

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 25 of the instructions)

What is the organization's primary exempt purpose? ▶ VOCATIONAL TRAINING FOR THE DISABLED. 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) & (4) orgs , & 4947(a)(1) trusts, but optional for others)
a MARRAKECH, INC. OPERATES VOCATIONAL TRAINING PROGRAMS FOR DEVELOPMENTALLY DISABLED PERSONS. (Grants and allocations $)	6,586,031
b (Grants and allocations $)	
c (Grants and allocations $)	
d (Grants and allocations $)	
e Other program services (attach schedule) (Grants and allocations $)	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	6,586,031

Part IV Balance Sheets (See page 25 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			529,628	45	586,333
	46	Savings and temporary cash investments				46	
	47a	Accounts receivable	47a	649,776			
	b	Less allowance for doubtful accounts	47b		740,953	47c	649,776
	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) See Worksheet	51a	3,063,325			
	b	Less allowance for doubtful accounts	51b		2,637,565	51c	3,063,325
	52	Inventories for sale or use				52	
	53	Prepaid expenses and deferred charges			291,407	53	152,329
	54	Investments-securities ▶ ☐ Cost ☐ FMV				54	
	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	57a	6,758,679			
	b	Less accumulated depreciation (attach schedule) See Statement 2	57b	1,718,097	4,920,968	57c	5,040,582
	58	Other assets (describe ▶ See Statement 3)			18,042	58	28,810
	59	**Total assets** (add lines 45 through 58) (must equal line 74)			9,138,563	59	9,521,155
Liabilities	60	Accounts payable and accrued expenses			1,454,771	60	1,967,637
	61	Grants payable				61	
	62	Deferred revenue			4,000	62	75
	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) See Worksheet			5,057,592	64b	4,814,982
	65	Other liabilities (describe ▶ See Statement 4)			170,117	65	93,602
	66	**Total liabilities** (add lines 60 through 65)			6,686,480	66	6,876,296
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted			2,051,783	67	2,283,459
	68	Temporarily restricted			400,300	68	361,400
	69	Permanently restricted				69	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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	**Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72, column (A) **must** equal line 19; column (B) **must** equal line 21)			2,452,083	73	2,644,859
	74	**Total liabilities and net assets / fund balances** (add lines 66 and 73)			9,138,563	74	9,521,155

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 IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements ▶	a	7,260,712
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments $		
(2)	Donated services and use of facilities $		
(3)	Recoveries of prior year grants $		
(4)	Other (specify) See Stmt 5 $ 38,900		
	Add amounts on lines (1) through (4) ▶	b	38,900
c	Line a minus line b ▶	c	7,221,812
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2) ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	7,221,812

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶	a	7,067,936
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities $		
(2)	Prior year adjustments reported on line 20, Form 990 $		
(3)	Losses reported on line 20, Form 990 $		
(4)	Other (specify) See Stmt 6 $ 38,900		
	Add amounts on lines (1) through (4) ▶	b	38,900
c	Line a minus line b ▶	c	7,029,036
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2) ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	7,029,036

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
FRANCIS E. MCCARTHY C/O MARRAKECH, INC.	EXEC. DIR. 40	180,765	23,689	1,300
JEFFREY L. ANDRUS C/O MARRAKECH, INC.	DIR. OF FIN. 40	104,969	18,487	0
SEE SCHEDULE #2 FOR NON COMPENSATED BOD	*2	0	0	0
*ALL ARE VOLUNTEERS		0	0	0
C/O MARRAKECH, INC. 6 LUNAR DRIVE WOODBRIDGE CT 06525		0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ▶ ☐ Yes ☒ No
If "Yes," attach schedule-see page 28 of the instructions

Part VI Other Information (See page 28 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		76		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		77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?		78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		79		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?		80a	X	
b	If "Yes," enter the name of the organization ▶ MARRAKECH HOUSING,DAY SERVICES,RESID and check whether it is ☒ exempt or ☐ nonexempt.				
81a	Enter direct and indirect political expenditures See line 81 instructions	81a 0			
b	Did the organization file **Form 1120-POL** for this year?		81b		X
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
b	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	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	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				
c	Dues, assessments, and similar amounts from members	85c N/A			
d	Section 162(e) lobbying and political expenditures	85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	85g		
h	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?	N/A	85h		
86	501(c)(7) orgs Enter **a** Initiation fees and capital contributions included on line 12	86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87	501(c)(12) orgs Enter **a** Gross income from members or shareholders	87a N/A			
b	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 ▶ 0 , section 4912 ▶ 0 , section 4955 ▶ 0				
b	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	▶ 0			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization	▶ 0			

90a List the states with which a copy of this return is filed ▶ None

b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) 90b 559

91 The books are in care of ▶ MARRAKECH, INC. Telephone no. ▶ 203-389-2970

Located at ▶ WOODBRIDGE, CT ZIP + 4 ▶ 06525

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of **Form 1041**- Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by sec 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 PROGRAM REVENUE					7,103,930
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	2,344	
96 Dividends and interest from securities					
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					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			25	8,772	
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))		0		11,116	7,103,930

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 7,115,046

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 34 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)
93a	FEES FOR VOCATIONAL TRAINING PROGRAMS FOR DEVELOPMENTALLY DISABLED PERSONS.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 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)

Please Sign Here

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

✓ 2/13/06
Date

▶ ✓ Francis E. McCarthy - Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date 2/09/06	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen Instr W) P00295950
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	Guilmartin, DiPiro & Sokolowski, LLC 505 Main Street Middletown, CT 06457	EIN ▶ 06-0971998	Phone no ▶ 860-347-5689

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

2004

Name of the organization	**Employer identification number**
MARRAKECH, INC.	23-7148533

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 empl ben plans & deferred comp	(e) Expense account and other allowances
HEATHER LATORRA C/O MARRAKECH, INC.	DIR. OF H.R. 40	101,972	18,341	0
SILVIA MOSCARIELLO C/O MARRAKECH, INC.	DIR. OF CONSUMER SVC 40	102,808	9,229	0
LOIS TAYLOR C/O MARRAKECH, INC.	DIR. OF DEVMT. 40	78,090	3,314	0
ALAN EMMERICH C/O MARRAKECH, INC.	HEALTH SVC. COORD. 40	71,298	7,467	0
KATHY TODD C/O MARRAKECH, INC.	HEAD NURSE 40	63,898	6,570	0
Total number of other employees paid over $50,000 ▶	13			

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
G. DONOVAN ASSOCIATES, INC. P.O. BOX 249 LEBANON CT 06249	BUILDERS	185,856
GUILMARTIN, DIPIRO & SOKOLOWSKI 505 MAIN STREET MIDDLETOWN CT 06457	AUDIT & ACCOUNT	101,740
85 WILLOW ST., N.H. LLC 2 SUMMIT PLACE BRANFORD CT 06405	LANDLORD-WORK PROG	71,078
SCHBAT, L.P. 106 WEST THIRD STREET JAMESTOWN NY 14701-5005	LANDLORD-PROGS	64,757
COMPLETE CONTRACTING, LLC 11 CREST WAY UNIT #1 HAMDEN CT 06514	BUILDING REPAIRS	53,845
Total number of others receiving over $50,000 for professional services ▶ 0		

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

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 ▶ $ ________ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1		X
	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			
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?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? See Part V, Form 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	124,893	430,650	100,891	480,609	1,137,043
16 Membership fees received					0
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	6,536,059	5,356,808	3,646,646	2,949,220	18,488,733
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	3,416		42,239	32,998	78,653
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	6,664,368	5,787,458	3,789,776	3,462,827	19,704,429
24 Line 23 minus line 17	128,309	430,650	143,130	513,607	1,215,696
25 Enter 1% of line 23	66,644	57,875	37,898	34,628	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ **26a** 24,314

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 2000 through 2003 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b**

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ **26c** 1,215,696

d Add Amounts from column (e) for lines 18 78,653 19 ______ 22 ______ 26b ______ ▶ **26d** 78,653

e Public support (line 26c minus line 26d total) ▶ **26e** 1,137,043

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 93.5302 %

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 N/A

(2003) (2002) (2001) (2000)

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· N/A

(2003) (2002) (2001) (2000)

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 2000 through 2003, 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 NONE

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)

		N/A	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?	31		
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
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?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
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) N/A

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	**36**		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	**37**		
38 Total lobbying expenditures (add lines 36 and 37)	**38**		
39 Other exempt purpose expenditures	**39**		
40 Total exempt purpose expenditures (add lines 38 and 39)	**40**		
41 Lobbying nontaxable amount Enter the amount from the following table- ▶	**41**		
42 Grassroots nontaxable amount (enter 25% of line 41)	**42**		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	**43**		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	**44**		

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

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)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2004	**(b)** 2003	**(c)** 2002	**(d)** 2001	**(e)** Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

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	Yes	No	Amount
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.**)			

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 11 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of			
(i)	Cash	51a(i)		X
(ii)	Other assets	a(ii)		X
b	Other transactions:			
(i)	Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii)	Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii)	Rental of facilities, equipment, or other assets	b(iii)		X
(iv)	Reimbursement arrangements	b(iv)		X
(v)	Loans or loan guarantees	b(v)		X
(vi)	Performance of services or membership or fundraising solicitations	b(vi)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Form **990**

Special Events Schedule

For calendar year 2004, or tax year beginning 7/01/04 , and ending 6/30/05

2004

Name

MARRAKECH, INC.

Employer Identification Number

23-7148533

	(A)	(B)	(C)	Others	Total
Gross receipts	66,121	0	0	0	66,121
Less contributions	36,122	0	0	0	36,122
Gross revenue	29,999	0	0	0	29,999
Less direct expenses	21,227	0	0	0	21,227
Net income (loss)	8,772	0	0	0	8,772

Description (A) GALA

(B)

(C)

Others

711

Forms
990 / 990-PF

Other Notes and Loans Receivable

For calendar year 2004, or tax year beginning 7/01/04 , and ending 6/30/05

2004

Name

MARRAKECH, INC.

Employer Identification Number

23-7148533

Form 990, Part IV, Line 51a - Additional Information

	Name of borrower	Relationship to disqualified person
(1)	AFFILIATED 501C3-PART VI LINE 80-b	NONE
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)		2,637,565	3,063,325	
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
Totals		2,637,565	3,063,325	

711

Forms
990 / 990-PF

Mortgages and Other Notes Payable

2004

For calendar year 2004, or tax year beginning 7/01/04 , and ending 6/30/05

Name MARRAKECH, INC.

Employer Identification Number 23-7148533

Form 990, Part IV, Line 64b - Additional Information

	Name of lender	Relationship to disqualified person
(1)	SEE SCHEDULE 3	NONE
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)		5,057,592	4,814,982
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals		5,057,592	4,814,982

Statement 1 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
	$	$	$	$
Expenses				
MANAGMENT FEES	411,372		411,372	
CONSULTANTS	19,789	19,789		
ADVERTISING	78,925	78,925		
INSURANCE	134,488	134,488		
DUES, FEES & LICENSES	23,001	23,001		
STAFF TRAINING	57,142	57,142		
BANK CHARGES	18,730		18,730	
PUBLIC RELATIONS	5,035	5,035		
BUILDING FUND EXPENSE	53,108	53,108		
MISCELLANEOUS	9,913	9,913		
SMALL FURNITURE & EQUIPMENT	53,896	53,896		
PROPERTY TAXES	20,943	20,943		
TRANSPORTATION	43,233	43,233		
Total	$ 929,575	$ 499,473	$ 430,102	$ 0

Federal Statements

Statement 2 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
SEE SCHEDULE #1				
	$ 6,463,469	$ 1,542,501	$ 6,758,679	$ 1,718,097
Total	$ 6,463,469	$ 1,542,501	$ 6,758,679	$ 1,718,097

Statement 3 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
DEPOSITS	$ 7,019	$ 18,450
DEFERRED EXPENSES	6,402	6,099
OTHER ASSETS	4,621	4,261
Total	$ 18,042	$ 28,810

Statement 4 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
CAPITAL LEASES	$ 170,117	$ 93,602
Total	$ 170,117	$ 93,602

Federal Statements

Statement 5 - Form 990, Part IV-A - Other Revenue Included on Financial Statements

Description	Amount
NET ASSETS RELEASED FROM RESTRICTION	$ 38,900
Total	$ 38,900

Statement 6 - Form 990, Part IV-B - Other Expenses Included on Financial Statements

Description	Amount
NET ASSETS RELEASED FROM RESTRICTIONS	$ 38,900
Total	$ 38,900

Federal Statements

Form 990, Part I, Line 1a - Direct Public Support

Description	Cash	Noncash	Total
CONTRIBUTIONS NOT ON SCHED. B	$ 39,744	$	$ 39,744
Contributions from Events	36,122		36,122
Other Contributions	30,900		30,900
Total	$ 106,766	$ 0	$ 106,766

Federal Statements

Special Events Direct Expenses

Description	Amount
Column A	$
GALA	
MUSIC	2,200
AUDIO VISUAL	1,000
FAVORS & FLOWERS	1,500
MISCELLANEOUS	1,370
Cost of Goods Sold	15,157
SubTotal	21,227
Total	21,227

Direct expenses other than fundraising expenses reported on Form 990, page 1, line 9b.

NUMBER OF EMPLOYEES

Description
THE ORGANIZATION HAS FYE 6/30/05 - HENCE THE NUMBER OF EMPLOYEES IS FOR THE PERIOD INCLUDING MARCH 12, 2005.

Form 990 - General Footnote

ORGANIZATION IS NO LONGER REQUIRED TO FILE 990-T. ALL PROPERTY AND ASSETS ARE NOW USED BY THE ORGANIZATION IN ITS OWN EXEMPT PROGRAMS.

MARRAKECH, INC. **EIN: 23-7148533**
FORM 990
2004 (fiscal year ending 6/30/05)

Schedule #1
Per 990 Part II Line 42

	year ended 6/30/2005
Furniture & equipment	$ 481,864
Transportation equipment	485,836
Leasehold improvements	283,996
Buildings, land & improvements	5,506,983
Total	6,758,679
Less: accumulated depreciation	1,718,097
Fixed assets - net	$5,040,582

The organization capitalizes at cost all expenditures for fixed assets in excess of $2,500 that have an estimated useful life greater than three years. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 3 to 30 years. Maintenance and repairs are charged to expense as incurred.

Depreciation expense was **$203,566** for the year ended **6/30/05**.

filename: Excel\E\990 worksheets\Marrakech Consolidated\Marrakech, Inc.\Marrakech, Inc. 990 Schedules

MARRAKECH, INC. **EIN:** **23-7148533**
990 for the year ended: 6/30/05

Schedule 2
990 Part V
LIST OF OFFICERS, DIRECTORS, AND KEY EMPLOYEES
(non-compensated persons not listed in Part V, Page 4 of 990)

Name and Address*	Title	Avg. Hours**	Compensation	Benefits	Expense Allowance
Moshe Siev, M.D.	President	2	0	0	0
Merton G. Gollaher, Esq.	Vice President	2	0	0	0
Theresa M. Seaquist	Treasurer	2	0	0	0
Steve Shwartz	Secretary	2	0	0	0
Jennifer D Botwick, M.D.	Director	2	0	0	0
S. Roosevelt Bowen	Director	2	0	0	0
Miriam Glenn	Director	2	0	0	0
Suzanne Letso	Director	2	0	0	0
Ada M Lomax	Director	2	0	0	0
Shelia E. Masterson	Director	2	0	0	0
Gary S. Rappaport, M.D.	Director	2	0	0	0
Mark H. Robinson	Director	2	0	0	0
John A. Russo, Jr.	Director	2	0	0	0
Howard Schachter	Director	2	0	0	0

* All may be contacted c/o
Marrakech, Inc
6 Lunar Drive
Woodbridge, CT 06525

**all serve as volunteers

FILENAME: Excel\990 worksheets\Marrakech Consolidated\Marrakech, Inc.\Marrakech, Inc. 990 Schedules

Marrakech, Inc.
Schedule 3: Mortgages & Notes Payable

Ein: 23-7148533
990, Part IV - Balance Sheet
Line 64b

NOTE 9
LOANS PAYABLE

At June 30, 2005, the Agencies had loans payable as follows:

Corporation for Independent Living:
Marrakech, Inc.'s demand note payable to CIL Realty, Inc. (CIL). This note is secured by all of the Agency's contract rights and accounts receivable related to the Englewood Drive and Knollwood Drive Group Homes. Assuming that the Agency is in compliance with all terms and covenants of the loan and realty leases with CIL, the principal of such loan will be forgiven when the associated group homes are donated to Marrakech, Inc. The homes are scheduled to be donated when their corresponding realty leases expire, which will be September 2009 for the Englewood group home and February 2010 for the Knollwood group home. This loan has been classified as a long-term liability. $138,000

Marrakech, Inc.'s working capital installment loan; collateralized by accounts receivable; payable monthly at $486 including principal and interest at 8 5% per annum; due June 30, 2016. 41,584

People's Bank:
Marrakech, Inc.'s demand loan; guaranteed by the Connecticut Development Authority; interest payable at prime plus one percent; due February 2006. This note has been included in short-term loans payable. $121,276

Marrakech, Inc.'s demand loan; guaranteed by the Connecticut Development Authority; interest payable at prime plus one percent; due February 2006. This note has been included in short-term loans payable 141,800

State of Connecticut:
Various revolving loan funds with monthly installments currently totaling $2,332 including principal and interest at 6% per annum; due dates ranging from July 2010 to October 2018. 161,202

Sovereign Bank:
Marrakech, Inc.'s various loans collateralized by automobiles, monthly installments currently totaling $1,612 including principal and interest at rates ranging from 6.09% to 17.22% per annum; due dates ranging from May 2007 to December 2007. 39,827

Wachovia Bank:
Marrakech, Inc. has entered into a standby term loan on July 23, 2003 which enables it to borrow as needed but not to exceed a total loan value of $500,000. As of June 30, 2005 three loans have been taken with the following terms:

Interest Rate	Balance 6/30/05	Monthly Payment	Date Due
5.25	$90,777	$2,535	10/08
5 25	74,943	1,956	01/09
4.75	88,108	2,156	03/09

Each loan requires a perfected first lien security interest in the agencies' assets. 253,828

General Motors Acceptance Corp.:
Marrakech, Inc.'s two loans collateralized by automobiles, monthly installments currently totaling $1,134 including principal and interest at 9.15% each per annum; both loans are due November 2009. 48,525

Citizens Bank:
Marrakech, Inc.'s revolving line of credit of $750,000 guaranteed by Marrakech Housing Options, Inc., Marrakech Residential Services. Inc., and Marrakech Day Services, Inc Advances on this line of credit are payable on demand and bear interest at 5% per annum. $ 250.000

	1,196.042
Less: current maturities	624.371
Total long-term loans payable	$ 571.671

The aggregate maturities of long-term loans payable for each of the next five years are as follows at June 30.

2006	$624,371
2007	122.279
2008	116.887
2009	77,077
2010	26,664

NOTE 10
CAPITAL LEASES PAYABLE

Capital leases payable is composed of a number of leases collateralized by various capital assets such as automobiles, office equipment and furniture. These leases are payable in monthly installments totaling $5,194 including interest at rates ranging from 9% to 12%. The due dates range from September 2006 to December 2007

At June 30, 2005 capital leases payable totaled $93,602, of which $55,075 is due and payable within one year. The remaining $38,527 represents long-term capital lease obligations due over the next three years as follows at June 30:

2006	$55,075
2007	35,602
2008	2,925

NOTE 11
MORTGAGES PAYABLE

At June 30, 2005, Marrakech, Inc. had mortgages payable as follows:

Citizens Bank:
Mortgage payable; collateralized by property located at 6 Lunar Drive, Woodbridge, Connecticut; payable monthly at $2,886 including principal and interest at 7.69% per annum; due May 2012. $183,463

Mortgage payable; collateralized by property located at 514-526 Whalley Avenue, New Haven, Connecticut; payable monthly at $2,844 including principal and interest at 6.5% per annum; due September 2010. $327,258

Mortgage payable collateralized by property located at 106-108 Hobart Street, New Haven, Connecticut; payable monthly at $486 including principal and interest at 6.5% per annum; due September 2031. 72,986

Dovenmuehle Mortgage:
Mortgage payable; collateralized by property located at 615-617 Whalley Avenue, New Haven, Connecticut; payable monthly at $338 including principal and interest at 8.25% per annum; due August 1, 2030. 42,963

Mortgage payable; collateralized by property located at 60 Plainfield Avenue; West Haven; Connecticut; payable monthly at $270 including principal and interest at 8.25% per annum; due July 2030. 34,337

Mortgage payable; collateralized by property located at 106 Sherman Avenue, New Haven, Connecticut; payable monthly at $903 including principal and interest at 4.25% per annum; due May 2018. 107,535

Connecticut Housing Finance Authority:
Mortgage payable; collateralized by property located at 92 Hurd Road, Trumbull, Connecticut; payable monthly at $1,734 including principal and interest at 6.63% per annum, due October 2030. 255,170

Mortgage payable; collateralized by property located at 92 View Terrace, East Haven, Connecticut; payable monthly at $1,740 including principal and interest at 6.63% per annum; due October 2030. 256,082

Mortgage payable; collateralized by property located at 2 Anton Circle, Bridgeport, Connecticut; payable monthly at $2,425 including principal and interest at 5.75% per annum; due January 2033. 402,023

Mortgage payable; collateralized by property located at County Road, Guilford, Connecticut; payable monthly at $2,509 including principal and interest at 5 75%, interest per annum; due January 2033. $416,064

Mortgage payable; collateralized by property located at 21 Victor Hill Road, Branford, Connecticut; payable monthly at $2,017 including principal and interest at 7.34% per annum; due September 2026. 260,194

Mortgage payable; collateralized by property located at 33 Lake Street, West Haven, Connecticut; payable monthly at $2,343 including principal and interest at 6.93% per annum; due August 2027. 317,853

Marrakech, Inc.
Cont. Schedule 3: Mortgages & Notes Payable

Ein: 23-7148533
990, Part IV-Balance Sheet
line 64b

Wachovia Bank:

Mortgage payable; collateralized by property located at 597 East Street, New Haven, Connecticut; 85% of the loan is guaranteed by the U.S. Small Business Administration; payable monthly at $1,999 including principal and interest that varies with the published prime rate, currently at 6.66% per annum; due October 2016.	188,704
Mortgage payable; collateralized by property located at 118 Migeon Avenue, Torrington, Connecticut; payable monthly at $1,242 including principal and interest at 6.25% per annum; due June 2018.	131,740
Mortgage payable collateralized by property located at 95 Fitch Street, New Haven, Connecticut; payable monthly at $2,313 including principal and interest at 6.66% per annum, due October 2016.	219,472
Mortgage payable collateralized by property located at 615-617 Whalley Avenue, New Haven, Connecticut; payable monthly at $1,141 including principal and interest at 7.25% per annum; due August 2019.	121,031

State of Connecticut Department of Mental Retardation:

Mortgage payable; collateralized by property located at 43 Ramsdell Street, New Haven, Connecticut; payable monthly at $1,120 including principal and interest at 6% per annum; due March 2018.	119,562
Mortgage payable; collateralized by property located at 159 Osborn Avenue, New Haven, Connecticut; payable monthly at $1,675 including principal and interest at 6% per annum; due June 2019.	$ 189,936
	3,646,373
Less: current maturities	126,159
Total long-term mortgages payable	$3,520,214

The aggregate maturities of long-term mortgage obligations for each of the next five years ending June 30 are as follows:

2006	$126,159
2007	136,170
2008	145,415
2009	155,297
2010	165,861

Interest expense related to the above loans, capital leases and mortgages totaled $326,222 for the year ended June 30, 2005

Form **8868**
(Rev. December 2004)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No 1545-1709

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

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

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

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.
Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form visit www.irs gov/efile

Type or print
File by the due date for filing your return See instructions

Name of Exempt Organization: MARRAKECH, INC.
Employer identification number: 23-7148533
Number, street, and room or suite no. If a P.O box, see instructions: 6 LUNAR DRIVE
City, town or post office, state, and ZIP code For a foreign address, see instructions: WOODBRIDGE CT 06525

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

☒ Form 990
☐ Form 990-BL
☐ Form 990-EZ
☐ Form 990-PF
☐ Form 990-T (corporation)
☐ Form 990-T (sec 401(a) or 408(a) trust)
☐ Form 990-T (trust other than above)
☐ Form 1041-A
☐ Form 4720
☐ Form 5227
☐ Form 6069
☐ Form 8870

- The books are in the care of ▶

Telephone No ▶ FAX No. ▶

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

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until 2/15/06 , to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ ☐ calendar year or
▶ ☒ tax year beginning 7/01/04 , and ending 6/30/05

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 $

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

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