

# 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)

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2002 calendar year, or tax year beginning **JANUARY 01**, 2002, and ending **DECEMBER 31**, 20 02

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

**C** Name of organization  
**APPLIED SCHOLASTICS INTERNATIONAL**

Number and street (or P O box if mail is not delivered to street address) Room/suite  
**11755 RIVERVIEW DRIVE**

City or town state or country and ZIP + 4  
**ST LOUIS, MO 63138**

**D** Employer identification number  
**23 : 7250829**

**E** Telephone number  
**( 314 ) 355-6355**

**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)

**G** Web site ▶ **WWW APPLIEDSCHOLASTICS 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.

**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? **N/A**  Yes  No  
(If "No" attach a list. See instructions.)

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

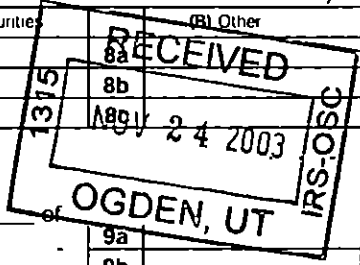
**I** Enter 4 digit GEN ▶

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1215559**

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

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

		Revenue		Expenses		Net Assets	
<b>1</b>	Contributions, gifts, grants, and similar amounts received						
<b>a</b>	Direct public support	<b>1a</b>	<b>108500</b>				
<b>b</b>	Indirect public support	<b>1b</b>	<b>17709</b>				
<b>c</b>	Government contributions (grants)	<b>1c</b>	<b>0</b>				
<b>d</b>	Total (add lines 1a through 1c) (cash \$ <b>126209</b> noncash \$ <b>0</b> )	<b>1d</b>				<b>126209</b>	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>				<b>986697</b>	
<b>3</b>	Membership dues and assessments	<b>3</b>					
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>				<b>348</b>	
<b>5</b>	Dividends and interest from securities	<b>5</b>				<b>0</b>	
<b>6a</b>	Gross rents	<b>6a</b>	<b>0</b>				
<b>b</b>	Less rental expenses	<b>6b</b>	<b>0</b>				
<b>c</b>	Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>				<b>0</b>	
<b>7</b>	Other investment income (describe ▶)	<b>7</b>				<b>0</b>	
<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
<b>b</b>	Less cost or other basis and sales expenses	<b>8a</b>		<b>8b</b>			
<b>c</b>	Gain or (loss) (attach schedule)						
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))						<b>0</b>
<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>0</b>	
<b>10a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>	<b>100927</b>				
<b>b</b>	Less cost of goods sold <b>STATEMENT 2</b>	<b>10b</b>	<b>53858</b>				
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>				<b>47069</b>	
<b>11</b>	Other revenue (from Part VII, line 103)	<b>11</b>				<b>1378</b>	
<b>12</b>	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>				<b>1161701</b>	
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>				<b>701817</b>	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>				<b>312881</b>	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>				<b>48249</b>	
<b>16</b>	Payments to affiliates (attach schedule) <b>STATEMENT 3</b>	<b>16</b>				<b>31793</b>	
<b>17</b>	Total expenses (add lines 16 and 44, column (A))	<b>17</b>				<b>1094740</b>	
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>				<b>66961</b>	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>				<b>365615</b>	
<b>20</b>	Other changes in net assets or fund balances (attach explanation)	<b>20</b>				<b>0</b>	
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>				<b>432576</b>	



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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 \$ <u>4884</u> noncash \$ <u>0</u> )	4884	4884		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	188486	135521	37773	15192
26	Other salaries and wages	350829	215514	123948	11367
27	Pension plan contributions				
28	Other employee benefits	15403	10264	4422	717
29	Payroll taxes	45244	29409	13627	2208
30	Professional fundraising fees				
31	Accounting fees	2560		2560	
32	Legal fees	19308	3077	16231	
33	Supplies	15048	10088	4214	746
34	Telephone	32839	21345	9891	1603
35	Postage and shipping	12479	9343	2699	437
36	Occupancy	160705	104458	48405	7842
37	Equipment rental and maintenance	3703	1829	1225	649
38	Printing and publications	6690	4349	2015	326
39	Travel	51333	33639	15399	2495
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	16932	11053	5059	820
43	Other expenses not covered above (itemize) a				
b					
c	<b>STATEMENT 4</b>	136304	107044	25413	3847
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	1062947	701817	312881	48249

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? <b>TO IMPROVE &amp; REVITALIZE THE FIELD OF EDUCATION</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a ASSISTANCE TO EDUCATIONAL AND LITERACY PROGRAMS SEE STATEMENT 14 (Grants and allocations \$ _____)	355807
b LITERACY AND TEACHER TRAINING PROGRAMS SEE STATEMENT 15 (Grants and allocations \$ _____)	246038
c PUBLIC INFORMATION ON EDUCATIONAL PROGRAMS SEE STATEMENT 16 (Grants and allocations \$ _____)	99972
d (Grants and allocations \$ _____)	0
e Other program services (attach schedule) (Grants and allocations \$ _____)	0
f Total of Program Service Expenses (should equal line 44 column (B) Program services)	701817

**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	-	71708	45	224632
	46	Savings and temporary cash investments	-	8919	46	0
	47a	Accounts receivable	47a 267100	158417	47c	232459
	b	Less allowance for doubtful accounts	47b 34641			
	48a	Pledges receivable	48a	48c	49	
	b	Less allowance for doubtful accounts	48b			
	49	Grants receivable	-			
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)	-		50	
	51a	Other notes and loans receivable (attach schedule)	51a	90256	51c	0
	b	Less allowance for doubtful accounts	51b			
	52	Inventories for sale or use	-	157417	52	136361
	53	Prepaid expenses and deferred charges	-	397	53	1402
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV	-		54	
	55a	Investments—land buildings, and equipment basis	55a	9877	56	5377
	b	Less accumulated depreciation (attach schedule)	55b			
	56	Investments—other (attach schedule) <b>STATEMENT 6</b>	-			
	57a	Land, buildings, and equipment basis	57a 152700	54740	57c	55315
	b	Less accumulated depreciation (attach schedule) <b>STATEMENT 7</b>	57b 97385			
58	Other assets (describe <b>STATEMENT 8</b> )	-	99501	58	94604	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	-	651232	59	750150	
Liabilities	60	Accounts payable and accrued expenses	-	78764	60	35367
	61	Grants payable	-	0	61	0
	62	Deferred revenue	-	47354	62	74482
	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) <b>STATEMENT 9</b>	-	50000	64b	50000
	65	Other liabilities (describe <b>STATEMENT 10</b> )	-	109499	65	157727
66	<b>Total liabilities</b> (add lines 60 through 65)	-	285618	66	317576	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted	-		67	
	68	Temporarily restricted	-		68	
	69	Permanently restricted	-		69	
	Organizations that do not follow SFAS 117, check here <input checked="" 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	-	365615	72	432574
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)	-	365615	73	432574	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	-	651232	74	750150	

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 26 of the instructions)

a	Total revenue, gains, and other support per audited financial statements ▶	a	N/A
b	Amounts included on line a but not on line 12, Form 990	b	
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	..... \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	
d	Amounts included on line 12, Form 990 but not on line a	d	
(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	

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

a	Total expenses and losses per audited financial statements ▶	a	N/A
b	Amounts included on line a but not on line 17, Form 990	b	
(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)		
	..... \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	
d	Amounts included on line 17, Form 990 but not on line a	d	
(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	

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see page 26 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) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SANDRA ADAIR (Statement 1) 11755 RIVERVIEW DR ST LOUIS, MO 63138	TRUSTEE/DIR 55	31909	0	0
BENNETTA SLAUGHTER 11755 RIVERVIEW DR ST LOUIS, MO 63168	TRUSTEE/DIR 55	0	0	0
JOANNE TAKANO IRWIN (Statement 1) 3501 S HARBOR, SANTA ANNA, CA	TRUSTEE/DIR 55	16665	0	0
IAN LYONS (Statement 1) 11755 RIVERVIEW DR ST LOUIS, MO 63138	SR VP 55	33192	0	0
RUTH LYONS (Statement 1) 11755 RIVERVIEW DR ST LOUIS, MO 63138	CFO 55	30654	0	0
LAURIE ZURN 7065 HOLLYWOOD BLVD LOS ANGELES, CA	TRUSTEE 25	0	0	0
ELIZABETH R ROUSH (Statement 1) 11755 RIVERVIEW DR ST LOUIS, MO 63138	OFFICER 55	15639	0	0
FRANK ZURN 7065 HOLLYWOOD BLVD LOS ANGELES, CA	DIRECTOR 25	0	0	0
STEVE HAYES P O BOX 65188, LOS ANGELES, CA	DIRECTOR 25	0	0	0
CLARK CARR 7060 HOLLYWOOD BLVD, LOS ANGELES, CA	DIRECTOR 25	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 26 of the instructions

**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	76	✓
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	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
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	✓
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	✓
b	If "Yes," enter the name of the organization _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	✓
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	✓
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	✓
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	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
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?	85g	N/A
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?	85h	N/A
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	✓
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	✓
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 ▶ _____		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	29
91	The books are in care of ▶ ELIZABETH R ROUSH Telephone no ▶ ( 314 ) 355-6355 Located at ▶ 11755 RIVERVIEW DRIVE, ST LOUIS, MO ZIP + 4 ▶ 63138		
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 ▶   92		N/A

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

	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	
<b>93</b> Program service revenue					
<b>a</b> TRADEMARK LICENSE FEES					859219
<b>b</b> EDUCATIONAL TRAINING					119268
<b>c</b> CONSULTING INCOME					265
<b>d</b> EVENT INCOME					200
<b>e</b> ROYALTIES INCOME			15	7745	
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments			14	348	
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					47069
<b>103</b> Other revenue					
<b>a</b> STATEMENT 13					1378
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>104</b> Subtotal (add columns (B), (D), and (E))				8093	1027399
<b>105</b> Total (add line 104, columns (B), (D), and (E))					1035492

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)
1	SEE STATEMENT 11

**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
N/A	%			
	%			
	%			
	%			

**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 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

Please Sign Here: Bennett Daughter 11/17/03  
Signature of officer Date  
Bennett SLAUGHTER Chief Executive Officer  
Type or print name and title

Paid Preparer's Use Only: Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:  Preparer's SSN or PTIN (See Gen. Inst. W): \_\_\_\_\_  
Firm's name (or yours if self-employed) address and ZIP + 4: \_\_\_\_\_ EIN: \_\_\_\_\_ Phone no: \_\_\_\_\_



**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

OMB No 1545-0047

**2002**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information—(See separate instructions)**

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

Name of the organization

**APPLIED SCHOLASTICS INTERNATIONAL**

Employer identification number

**23 7250829**

**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
NONE ..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
..... ..... .....				
Total number of other employees paid over \$50,000 ▶	0			

**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
NONE ..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
..... ..... .....		
Total number of others receiving over \$50,000 for professional services ▶	0	

**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 1 of 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		✓
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?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)		✓
4 Do you have a section 403(b) annuity plan for your employees?		✓

*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.

SEE PART V, FORM 990 AND STATEMENT

**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)(v). (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)	67184	10873	58598	21195	157850		
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	1182197	1576288	1550663	1489788	5798936		
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	7781	7087	6618	6183	27669		
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	7821	913	1248	0	9982		
23 Total of lines 15 through 22	1264983	1595161	1617127	1517166	5994437		
24 Line 23 minus line 17	82786	18873	66464	27378	195501		
25 Enter 1% of line 23	12650	15952	16171	15172			
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a N/A		
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 N/A		
c Total support for section 509(a)(1) test Enter line 24 column (e)					26c N/A		
d Add Amounts from column (e) for lines 18 19 22					26d N/A		
e Public support (line 26c minus line 26d total)					26e N/A		
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %		
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)	32889	(2000)	36554	(1999)	20448	(1998)	11611
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)	1024243	(2000)	925625	(1999)	893186	(1998)	811387
c Add Amounts from column (e) for lines 15 16 17 20 21	157850	0	0	0	0	27c	5956786
d Add Line 27a total and line 27b total	101502	3654441				27d	3755943
e Public support (line 27c total minus line 27d total)					27e	2200843	
f Total support for section 509(a)(2) test Enter amount from line 23 column (e)					27f	5994437	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g	36 714 %	
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h	4615 %	
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)

NA

	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?		
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?		
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)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions programs and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 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		

**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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	N/A
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—		
	<b>If the amount on line 40 is—</b>		
	<b>The lobbying nontaxable amount is—</b>		
	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	
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	

**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) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				0
46	Lobbying ceiling amount (150% of line 45(e))				0
47	Total lobbying expenditures				0
48	Grassroots nontaxable amount				0
49	Grassroots ceiling amount (150% of line 48(e))				0
50	Grassroots lobbying expenditures				0

**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)

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)			0

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



APPLIED SCHOLASTICS INTERNATIONAL						23-7250829	
DEPRECIATION AND AMORTIZATION DETAIL							
FORM 990, PAGE 2							
ASSET NUMBER	DESCRIPTION OF PROPERTY	DATE PLACED IN SERVICE	METHOD	LIFE OR RATE	COST OR OTHER BASIS	ACCUM DEPRECIATION	CURRENT YEAR DEPR
1	FURNITURE & EQUIP	1994	SL	7	5106	5106	0
2	FURNITURE & EQUIP	1995	SL	7	211	180	31
6	COMPUTER & OFFICE	1992	SL	5	953	953	0
7	COMPUTER & OFFICE	1993	SL	5	5130	5130	0
8	COMPUTER & OFFICE	1994	SL	5	3151	3151	0
9	COMPUTER & OFFICE	1995	SL	5	12435	12435	0
13	OFFICE FURNITURE	1996	SL	7	9492	7458	1356
14	COMPUTER EQUIP	1996	SL	5	14110	14110	0
15	FURNITURE	1997	SL	7	2017	1200	288
16	FURNITURE	1997	SL	7	1283	825	184
17	FURNITURE	1997	SL	7	2155	1360	308
18	OFFICE EQUIPMENT	1997	SL	7	1210	807	173
19	OFFICE EQUIPMENT	1997	SL	7	2380	1558	340
20	OFFICE EQUIPMENT	1997	SL	7	1252	805	179
21	COMPUTER EQUIP	1997	SL	5	3941	3876	65
23	COMPUTER EQUIP	1997	SL	5	2312	2003	309
24	FURNITURE & EQUIP	1998	SL	7	2835	1418	405
25	FURNITURE & EQUIP	1998	SL	7	1710	855	245
26	COMPUTER EQUIP	1998	SL	5	6067	4246	1213
27	COMPUTER EQUIP	1999	SL	5	5837	2442	1167
28	FURNITURE & EQUIP	1999	SL	7	2343	837	335
30	COMPUTER EQUIP	2000	SL	5	14162	3773	2832
37	COMPUTER EQUIP	1996	SL	5	3582	3582	0
38	COMPUTER EQUIP	2001	SL	5	5924	433	1184
39	COMPUTER EQUIP	2001	SL	5	1018	102	204
40	COMPUTER EQUIP	2001	SL	5	2405	82	482
41	COMPUTER EQUIP	2001	SL	5	3982	239	796
42	COMPUTER EQUIP	2001	SL	5	1809	181	362
43	SOFTWARE	2001	SL	3	1435	238	478
44	FURNITURE	2001	SL	7	4132	295	590
45	FURNITURE	2001	SL	7	3717	266	532
46	FURNITURE	2001	SL	7	3665	262	524
47	FURNITURE	2001	SL	7	1300	93	186
48	FURNITURE	2001	SL	7	2132	152	303
49	FURNITURE	2002	SL	5	11300	0	1130
50	SOFTWARE	2002	SL	3	2786	0	487
51	FURNITURE	2002	SL	7	311	0	22
52	FURNITURE	2002	SL	7	2834	0	202
53	FURNITURE	2002	SL	7	276	0	20
TOTAL 990 PAGE 2 DEPRECIATION					152700	80453	16932

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APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

STATEMENT 1

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FORM 990, PART V LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

OFFICERS, DIRECTORS, AND TRUSTEES WHO ARE ALSO EMPLOYEES ARE COMPENSATED ONLY FOR THEIR DUTIES AS EMPLOYEES, NOT FOR THEIR DUTIES AS OFFICERS, DIRECTORS, AND TRUSTEES

STATEMENT 1

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APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

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INCOME AND COST OF GOODS SOLD

STATEMENT 2

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INCOME

1 GROSS RECEIPTS	100927	
2 RETURNS AND ALLOWANCES	0	
3 LINE 1 LESS LINE 2		<u>100927</u>
4 COST OF GOODS SOLD (LINE 13)	53858	
5 GROSS PROFIT (LINE 23 LESS LINE 4)		<u><u>47069</u></u>

COST OF GOODS SOLD

6 INVENTORY BEGINNING OF YEAR	157417	
7 MERCHANDISE PURCHASED	32802	
8 COST OF LABOR	0	
9 MATERIALS AND SUPPLIES	0	
10 OTHER COSTS	0	
11 TOTAL LINES 6 - 10		<u>190219</u>
12 INVENTORY END OF YEAR	136361	
13 COST OF GOODS SOLD (LINE 11 LESS LINE 12)		<u><u>53858</u></u>

INCLUDED ON 990, PART 1, LINE 10b

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STATEMENT 2

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

PAYMENTS TO AFFILIATES

STATEMENT 3

AFFILIATE'S NAME

AFFILIATE'S ADDRESS

ASSOCIATION FOR BETTER LIVING &  
EDUCATION INTERNATIONAL

7065 HOLLYWOOD BLVD  
LOS ANGELES, CA 90028

PURPOSE OF PAYMENT

TRADEMARK LICENSE FEES

AMOUNT

31793

TOTAL TO FORM 990, PART 1, LINE 16

31793



APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

OTHER EXPENSES

STATEMENT 4

DESCRIPTION	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
COMMISSIONS	8236	8236		
PROMOTION	69273	49253	17229	2791
AUTO EXPENSES	10696	6952	3222	522
PROGRAM DELIVERY	260	260		
LICENSES, FEES AND DUES	742	74	668	
BANK CHARGES	11870	8061	3275	534
STAFF TRAINING	1019		1019	
ROYALTIES	34208	34208		
TOTAL TO FORM 990, LINE 43	136304	107044	25413	3847

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

GRANTS AND ALLOCATIONS

STATEMENT 5

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
PROGRAM LITERACY	APS OC	3505 S HARBOR SANTA ANNA, CA	N/A	4500
PROGRAM LITERACY	ABLE INT	7065 HOLLYWOOD LOS ANGELES, CA	N/A	384
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				4884

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

OTHER INVESTMENTS

STATEMENT 6

DESCRIPTION	VALUATION METHOD	AMOUNT
ARTWORK	COST	5377
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		5377

STATEMENTS 4, 5, 6

## DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT

## STATEMENT 7

DESCRIPTION OF PROPERTY	COST	ACCUM DEPRECIATION	BOOK VALUE
FURNITURE & EQUIP	5106	5106	0
FURNITURE & EQUIP	211	211	0
COMPUTER & OFFICE	953	953	0
COMPUTER & OFFICE	5130	5130	0
COMPUTER & OFFICE	3151	3151	0
COMPUTER & OFFICE	12435	12435	0
OFFICE FURNITURE	9492	8814	678
COMPUTER EQUIP	14110	14110	0
FURNITURE	2017	1488	529
FURNITURE	1283	1009	274
FURNITURE	2155	1668	487
OFFICE EQUIPMENT	1210	980	230
OFFICE EQUIPMENT	2380	1898	482
OFFICE EQUIPMENT	1252	984	268
COMPUTER EQUIP	3941	3941	0
COMPUTER EQUIP	2312	2312	0
FURNITURE & EQUIP	2835	1823	1012
FURNITURE & EQUIP	1710	1100	610
COMPUTER EQUIP	6067	5459	608
COMPUTER EQUIP	5837	3609	2228
FURNITURE & EQUIP	2343	1172	1171
COMPUTER EQUIP	14162	6605	7557
COMPUTER EQUIP	3582	3582	0
COMPUTER EQUIP	5924	1617	4307
COMPUTER EQUIP	1018	306	712
COMPUTER EQUIP	2405	564	1841
COMPUTER EQUIP	3982	1035	2947
COMPUTER EQUIP	1809	543	1266
SOFTWARE	1435	716	719
FURNITURE	4132	885	3247
FURNITURE	3717	798	2919
FURNITURE	3665	786	2879
FURNITURE	1300	279	1021
FURNITURE	2132	455	1677
FURNITURE	11300	1130	10170
SOFTWARE	2786	487	2299
FURNITURE	311	22	289
FURNITURE	2834	202	2632
FURNITURE	276	20	256
TOTAL 990 PAGE 2 DEPRECIATION	152700	97385	55315

APPLIED SCHOLASTICS INTERNATIONAL 23-7250829

OTHER ASSETS STATEMENT 8

<u>NAME</u>	<u>AMOUNT</u>
MATERIALS DEPOSITS	7244
RENT SECURITY DEPOSIT	87360
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	<u>94604</u>

APPLIED SCHOLASTICS INTERNATIONAL 23-7250829

OTHER NOTES PAYABLE STATEMENT 9

LENDER'S NAME STEVEN SHIMABUKU

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL AMOUNT</u>	<u>INTEREST RATE</u>
10/4/01	10/4/06	50000	0 00%

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN  
SECURITY DEPOSIT OF OFFICE SPACE

BALANCE OF LOAN 50000

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B 50000

APPLIED SCHOLASTICS INTERNATIONAL 23-7250829

OTHER LIABILITIES STATEMENT 10

<u>DESCRIPTION</u>	<u>AMOUNT</u>
SALES TAX PAYABLE	357
PAYROLL TAX PAYABLE	1376
LICENSING FEES PAYABLE	139476
SALARY PAYABLE	11585
CONTRA (FOR LEGAL FEES)	1120
ROYALTIES PAYABLE	1948
ACCOUNTS PAYABLE, ABLE INT	<u>1865</u>
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	<u>157727</u>

STATEMENT 8, 9, 10

APPLIED SCHOLASTICS INTERNATIONAL 23-7250829

RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF PURPOSE STATEMENT 11

LINE	EXPLANATION OF RELATIONSHIP TO ACTIVITIES
93A	FEEES RECEIVED FOR THE USE OF THE ORGANIZATION'S TRADEMARKS AND EDUCATIONAL TECHNOLOGY
93B	FEEES RECEIVED FOR TRAINING STUDENTS AND TEACHERS IN EDUCATIONAL TECHNOLOGY
93C	FEEES RECEIVED FOR ASSISTING LICENSEE ORGANIZATIONS
93D	FEEES RECEIVED FOR INDIVIDUAL MEMBERSHIPS
102	SALES OF EDUCATIONAL MATERIALS AND PUBLICATIONS TO TEACH EDUCATORS AND STUDENTS HOW TO LEARN

APPLIED SCHOLASTICS INTERNATIONAL 23-7250829

OTHER INCOME STATEMENT 12

DESCRIPTION	2001	2000	1999	1998
PAYROLL TAX REFUND	7821	912	1248	0
TOTAL TO SCHEDULE A, LINE 22	7821	912	1248	0

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

OTHER REVENUE

STATEMENT 13

CATEGORY

AMOUNT

STAFF TRAINING

1369

BANK CHARGES

9

TO 990, PAGE 1, LINE 11

1378

Applied Scholastics International  
Federal ID #23-7250829  
2002 Form 990, Part III  
Statement # 14

**Description of Program Service One:  
Assistance to Educational & Literacy Programs**

Applied Scholastics International is a non-profit public benefit corporation whose purpose is to provide educators, governments, vocational trainers, community groups, parents and students with learning tools they need to achieve a world free from illiteracy, where individuals know how to learn and can apply what they learn to achieve their chosen goals

The learning strategies and methodologies called the Study Technology were carried forward by Applied Scholastics International in 2002 through their continued assistance to:

99 Schools  
246 Study Tech Centers  
30 Community Groups  
4 Business Training Groups

This is a total of 379 groups internationally with an increase of 21 groups and schools for the 2002 year. Each of these groups is introducing Mr. L. Ron Hubbard's Study Technology in order to increase learning skills so that students can evaluate data, think critically and become lifelong learners in order to survive in today's technological world.

The numbers of those assisted with the Study Technology worldwide are as follows:

12,919	Weekly average number of students served
63,285	Teachers trained with educational services throughout the year
3,963	Courses in Study Technology completed this year
2,472,376	Hours of tutoring delivered this year

In November Applied Scholastics partnered with University of Missouri, St. Louis to provide a professional development workshop featuring nationally

renowned math educator and motivational speaker, Kay Toliver along with Dave Hendry of FASE (Foundation for Advancements through Science and Education). Professors from local universities hosted this event along with the CEO Applied Scholastics International.

Form 990, Part III, Line A

Grants	Expenses
	355,807

Applied Scholastics International  
Federal ID #23-7250829  
2002 Form 990, Part III  
Statement # 15

## **Description of Program Service Two**

### **Literacy and Teacher Training Programs: Study and Evaluation**

In 2002 special Applied Scholastics training was delivered to teachers and trainers on five different continents. 3877 educators were reached with an effective approach to teaching learning skills so that the learner can recognize study barriers that they run into and remedy them instantly thereby retaining the information and making it readily accessible and useable. These teachers in turn trained thousands of students to apply these skills. Following are summaries of the training that took place in each country.

#### **Pakistan**

Teachers from the Federal Directorate of Education, Ministry of Education were trained on the Communication Course for Teachers and a comprehensive course on the Study Technology. As a result, the Ministry determined to implement the Study Technology in 100 schools in Islamabad in 2003. At the national level it was decided that each of the 106 districts should have two trainers learn the Study Technology so that they could properly evaluate teaching that is occurring in their districts. A proposal was submitted to the Ministry with plans to bring about more effective programs in reading and mathematics.

#### **India**

Two Applied Scholastics trainers answering a request from the New Delhi State Committee for Education, Research and Training trained the first group of teachers in the Study Technology. The success of this training led to the New Delhi State Head of Education requesting a proposal to implement Study Tech into the State Educational system. Additionally, Pilgrim House Press released four of the Study Tech texts in English.

#### **Italy**

An ongoing project in Italy is the training of "Young in Uniform" with the Study Technology. Those wanting to train in any Italian Corp (police, army, navy, etc.) must pass a state exam before entering. After a very successful pilot with 43 students and 5 trainers it was determined that the



Study Technology should be used to train these students generally. This project lead by a police inspector and supported by the National Syndicate of Police is on-going and has trained 300 and is estimated to train 6,000 nationally in that country.

### **Zimbabwe**

A UK team went to Zimbabwe for three weeks to train a local team to deliver one-day workshops to teachers on the Study Technology so that they would be able to continue to train more teachers. The trainers were trained and ended up delivering to 3,691 teachers as well as 464 secondary school children and 290 primary school children from the host school.

### **The Gambia**

A select group of Regional Trainers from the Republic of The Gambia, coming from all regions of the country were trained as Applied Scholastics Basic Trainers. Once trained, they were apprenticed in delivering the Learning How to Learn Course. The Gambian Secretary of State for Education also invited three educators from Sierra Leone, a representative of their Teacher's Union and a top governmental official responsible for education to train on the Study Technology. After training they demanded this workable solution for their war-torn country as well.

### **China**

A promotional seminar for principals was held in Langfeng in August. A teacher training seminar was also held with 84 teachers, directors and administrators from the Phichit area. Nine teachers signed up newly to use the Study Tech and two directors decided to take a team to Bangkok to train so that they could come back and deliver the Study Tech to their schools. A local publisher printed 5,000 of each title of the Study Tech books. Within a few months they had sold 10,000 books.

### **South Africa**

The ED of Education Alive Capetown met with the Provincial Minister of Education for the Western Cape and created a great interest in the Study Technology. As a result a meeting was held with one of his Director Generals, with the view to introduce Study Technology into the schools.

**United Kingdom**

Applied Scholastics International delivered a seminar in the UK and gave briefings to local Applied Scholastics licensees on the implementation of Study Technology.

**South America**

Students of the Faculty of Medicine, University of the Andes received training in the Study Technology Special classes were held for new entrants into the Nutrition program training them on study skills and ethics Seminars were held throughout Mexico, including Mexico City.

**North America**

Training workshops and seminars to educators continued throughout the United States in 2002. Some of the states where workshops were held are California, Colorado, Nevada, Missouri and Texas.

Form 990, Part III, Line A

Grants	Expenses
	246,038

Applied Scholastics International  
Federal ID #23-7250829  
2002 Form 990, Part III  
Statement # 16

**Description of Program Service Three:  
Public Information on Educational Programs**

Applied Scholastics International is addressing the problem of illiteracy and failing educational systems worldwide by making available publications and services that provide solutions for these seemingly irreversible trends. These materials and services are for educators, trainers, parents and students. They are aimed at helping the learner to become self-sufficient and independent so that they can succeed in the learning process and consequently succeed in life. The materials and services can be viewed on the Applied Scholastics International website at [www.appliedscholastics.org](http://www.appliedscholastics.org) and are available to the public through that site as well as through continental training centers, schools, literacy and tutoring centers and the International Training Center in St. Louis, Missouri.

During 2002, Applied Scholastics offices, schools, community centers and groups distributed 6,855,958 promotional pieces, press releases, newsletters, magazines and other publications to teachers, community leaders, government personnel, parents and students.

Applied Scholastics International met with opinion leaders in government and education as well as community leaders in preparation for the opening of their International Training Center in St. Louis, Missouri.

As a result of meeting with their congressman they were introduced to the Vice-President of Leadership Training for the American Federation of Teachers and gave an introduction to the Study Technology at a Union Steward's meeting.

The Congressman also gave introductions to school district superintendents which led to requests for proposals from districts in need of more effective learning methods and means of improving comprehension and application in their students.

Form 990, Part III, Line A

Grants	Expenses
	99,972

## 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

<b>Type or print</b>	Name of Exempt Organization <i>Applied Scholastics International</i>	Employer identification number <i>23 7250829</i>
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions <i>11755 Riverview Dr.</i>	
	City, town or post office state, and ZIP code. For a foreign address, see instructions <i>St. Louis MO 63138</i>	

**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 *15 Aug.*, 20*03* to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶  calendar year 20*02* or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

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 ▶ *R. Lyons* Title ▶ *CFO* Date ▶ *13 May 2003*

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- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box  **Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.**
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

**Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.**

Type or print	Name of Exempt Organization <i>Applied Scholashes International</i>	Employer identification number <i>23-7250829</i>
	Number, street, and room or suite no. If a P.O. box, see instructions <i>11755 Riverview Dr.</i>	For IRS use only
File by the extended due date for filing the return. See instructions.	City, town or post office, state, and ZIP code for a foreign address, see instructions <i>St Louis MO 63138</i>	

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

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

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

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

- 4 I request an additional 3-month extension of time until *Nov 15*, 20*03*
- 5 For calendar year *2002* or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_, 20\_\_\_\_
- 6 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension: *Additional time to assemble and verify records are needed as the organization merged in 2002.*

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

**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 *L.R. Lyons* Title *CFO* Date *15 Aug 2003*

**Notice to Applicant—To Be Completed by the IRS**

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other \_\_\_\_\_

**EXTENSION APPROVED**

SEP 03 2003

LINDA WEISKOPF, FIELD DIRECTOR,  
SUBMISSION PROCESSING, OGDEN

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) Or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)

RECEIVED

151 AUG 20 2003

OGDEN, UT