

Form **990**

OMB No 1545-0047

# 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)

# 2005

Open to Public inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2005 calendar year, or tax year beginning , and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input checked="" type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization <b>APPLIED SCHOLASTICS OF ORANGE CNTY</b>		<b>D</b> Employer identification no <b>33-0631479</b>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <b>PO BOX 17457</b>		<b>E</b> Telephone number <b>714-953-2693</b>
		City or town, state or country, and ZIP + 4 <b>ANAHEIM CA 92817</b>		<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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

**G** Website: **NONE**

**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 chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

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 instr)

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

**I** Group Exemption Number **▶ 4171**

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 264,206**

**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 the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	6,180		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ <b>4,094</b> noncash \$ <b>2,086</b> )	1d		6,180	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		72,453	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	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			
	b	Less cost or other basis and sales expenses	8a	183,876		
	c	Gain or (loss) (attach schedule)	8b	29,347		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	154,529		
				SEE STMT	8d	154,529
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
10a	Gross sales of inventory, less returns and allowances	10a	297			
	b	Less cost of goods sold	10b	164		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		133	
11	Other revenue (from Part VII, line 103)	11		1,400		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		234,695		
Expenses	13	Program services (from line 44, column (B))	13		60,748	
	14	Management and general (from line 44, column (C))	14		17,609	
	15	Fundraising (from line 44, column (D))	15		2,608	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		80,965	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		153,730	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		-153,730	
	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		0	

**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 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 \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (attach schedule) <input type="checkbox"/>	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	6,378	3,189	3,189
26	Other salaries and wages	26	50,891	39,700	8,809
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	-26,393	-19,768	-5,516
30	Professional fundraising fees	30			
31	Accounting fees	31	2,000		2,000
32	Legal fees	32	2,607		2,607
33	Supplies	33	484	363	101
34	Telephone	34	4,357	3,263	911
35	Postage and shipping	35	2,354	1,763	492
36	Occupancy	36	17,000	12,733	3,553
37	Equipment rental and maintenance	37	3,141	2,353	656
38	Printing and publications	38	2,086	2,086	
39	Travel	39	11		11
40	Conferences, conventions, and meetings	40	7		7
41	Interest	41	1,759	1,317	368
42	Depreciation, depletion, etc (attach schedule)	42		0	
43	Other expenses not covered above (itemize):				
a	SEE STATEMENT 3	43a	14,283	13,749	421
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	<b>Total functional expenses.</b> Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	80,965	60,748	17,609

**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 the instructions.)**

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.

What is the organization's primary exempt purpose?

▶ **SEE STATEMENT 4**

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** IN 2005, 235 PARENTS ATTENDED PARENTING WORKSHOPS AND LECTURES; 4 PARENTS WERE SERVICED ON PARENTING PROGRAMS; 3 CHILDREN WERE SERVICED ON EDUCATIONAL COURSES; 26 CHILDREN RECEIVED TUTORING ON ACADEMICS; 18 TEENAGERS AND CHILDREN RECEIVED ONE-ON-ONE EDUCATIONAL ENHANCEMENT.

(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶

**60,748**

**b**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶

**c**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶

**d**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶

**e** Other program services (attach schedule)

(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶

**f** Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

**60,748**

**Part IV Balance Sheets (See 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
<b>Assets</b>	45 Cash-non-interest-bearing	356	45	
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use	4,656	52	
	53 Prepaid expenses and deferred charges	18,233	53	
	54 Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> 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		
	b Less: accumulated depreciation (attach schedule)	57b	28,147	57c
58 Other assets (describe <input type="checkbox"/> )		58		
<b>59 Total assets (must equal line 74) Add lines 45 through 58.</b>	<b>51,392</b>	<b>59</b>	<b>0</b>	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	23,665	60	
	61 Grants payable		61	
	62 Deferred revenue	33,236	62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule) <b>SEE WORKSHEET</b>	19,373	63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule) <b>SEE WORKSHEET</b>	55,200	64b	
	65 Other liabilities (describe <input type="checkbox"/> <b>SEE STATEMENT 5</b> )	73,648	65	
<b>66 Total liabilities. Add lines 60 through 65</b>	<b>205,122</b>	<b>66</b>	<b>0</b>	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.</b>			
	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	-153,730	72	
<b>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)</b>	<b>-153,730</b>	<b>73</b>	<b>0</b>	
<b>74 Total liabilities and net assets/fund balances. Add lines 66 and 73</b>	<b>51,392</b>	<b>74</b>	<b>0</b>	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)**  
**N/A**

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line a but not on Part I, line 12:			
<b>1</b>	Net unrealized gains on investments	<b>b1</b>		
<b>2</b>	Donated services and use of facilities	<b>b2</b>		
<b>3</b>	Recoveries of prior year grants	<b>b3</b>		
<b>4</b>	Other (specify):	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 12, but not on line a:			
<b>1</b>	Investment expenses not included on Part I, line 6b	<b>d1</b>		
<b>2</b>	Other (specify):	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12) Add lines <b>c</b> and <b>d</b>		<b>e</b>	

**Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	
<b>b</b>	Amounts included on line a but not Part I, line 17:			
<b>1</b>	Donated services and use of facilities	<b>b1</b>		
<b>2</b>	Prior year adjustments reported on Part I, line 20	<b>b2</b>		
<b>3</b>	Losses reported on Part I, line 20	<b>b3</b>		
<b>4</b>	Other (specify):	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 17, but not on line a:			
<b>1</b>	Investment expenses not included on Part I, line 6b	<b>d1</b>		
<b>2</b>	Other (specify):	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17) Add lines <b>c</b> and <b>d</b>		<b>e</b>	

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contnb to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JOANNE TAKANO IRWIN PO BOX 17457 ANAHEIM CA 92817	CEO & DIR 40	0	0	0
DARILYN MACKENZIE PO BOX 17457 ANAHEIM CA 92817	CFO/TREAS 1	0	0	0
DANIEL IRWIN PO BOX 17457 ANAHEIM CA 92817	SECRETARY 40	6,378	0	0
GEORGE GLUCHOWSKI PO BOX 17457 ANAHEIM CA 92817	DIRECTOR 1	0	0	0
MICHAEL KROKO PO BOX 17457 ANAHEIM CA 92817	DIRECTOR 1	0	0	0



Part VI Other Information (continued)		Yes	No
<b>82a</b>	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?		<b>X</b>
	<b>b</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.)		
	<b>N/A</b>   82b		
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>X</b>	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>X</b>	
	<b>N/A</b>		
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>N/A</b>		
<b>85</b>	<b>501(c)(4), (5), or (6) organizations.</b> <b>a</b> Were substantially all dues nondeductible by members?		
<b>b</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.		
<b>c</b>	Dues, assessments, and similar amounts from members		
	<b>N/A</b>   85c		
<b>d</b>	Section 162(e) lobbying and political expenditures		
	<b>N/A</b>   85d		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	<b>N/A</b>   85e		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	<b>N/A</b>   85f		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	<b>N/A</b>		
<b>h</b>	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?		
	<b>N/A</b>		
<b>86</b>	<b>501(c)(7) orgs.</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12		
	<b>N/A</b>   86a		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities		
	<b>N/A</b>   86b		
<b>87</b>	<b>501(c)(12) orgs.</b> Enter: <b>a</b> Gross income from members or shareholders		
	<b>N/A</b>   87a		
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	<b>N/A</b>   87b		
<b>88</b>	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		<b>X</b>
<b>89a</b>	<b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0		
<b>b</b>	<b>501(c)(3) and 501(c)(4) orgs.</b> 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		<b>X</b>
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year sections 4912, 4955, and 4958		<b>0</b>
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization		<b>0</b>
<b>90a</b>	List the states with which a copy of this return is filed ▶ <b>CA</b>		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	<b>90b</b>	<b>4</b>
<b>91a</b>	The books are in care of ▶ <b>JOANNE TAKANO-IRWIN</b>	Telephone no. ▶	<b>714-953-2693</b>
	Located at ▶ <b>SAME AS PAGE 1,</b>	ZIP + 4 ▶	
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
	At any time during the calendar year, did the organization maintain an office outside of the United States?		<b>X</b>
<b>c</b>	If "Yes," enter the name of the foreign country ▶		
<b>92</b>	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	<b>92</b>	<b>N/A</b> ▶ <input type="checkbox"/>

	Yes	No
<b>91b</b>		<b>X</b>
<b>91c</b>		<b>X</b>

**Part VII Analysis of Income-Producing Activities (See 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 <b>PROGRAM FEES</b>					72,453
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					
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					154,529
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					133
103 Other revenue: a					
b <b>REFERRAL COMMISSIONS &amp; OTHER</b>			1	1,400	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		1,400	227,115
105 Total (add line 104, columns (B), (D), and (E))					228,515

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 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	<b>FEES FOR WORKSHOPS, COURSES, TRAINING &amp; CONSULTING.</b>
100	<b>GOODWILL TRANSFERRED TO AFFILIATED ORGANIZATION.</b>
102	<b>INCOME FROM SALES OF BOOKS RELATING TO STUDY.</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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 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: *[Signature]* Date: **11/08/06**

Type or print name and title: **Daniel W IRWIN Sec**

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**Paid Preparer's Use Only**

Preparer's signature: *[Signature]* Date: **11/07/06** Check if self-employed:

Firm's name (or yours if self-employed), address and ZIP + 4: **ROLAND W. FINK, CPA  
2441 HONOLULU AVE., SUITE 126  
MONTROSE, CA 91020-1847**

Preparer's SSN or PTIN (See Gen Instr W): **P00640573**

EIN: **818-249-4577**



**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 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2005**

**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 OF ORANGE CNTY

Employer identification number  
33-0631479

**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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

**Part II-A 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 ▶

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶

**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.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit? <b>SEE STATEMENT 8</b>	X	
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	X	
e	Transfer of any part of its income or assets?		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.)		X
b	Do you have a section 403(b) annuity plan for your employees?		X
c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		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?		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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). Check the box that describes the type of supporting organization:  Type 1  Type 2  Type 3

Provide the following information about the supported organizations (See page 6 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 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	63,625	27,479	20,720		111,824
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	220,579	167,394	88,842		476,815
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					0
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	284,204	194,873	109,562		588,639
24 Line 23 minus line 17	63,625	27,479	20,720		111,824
25 Enter 1% of line 23	2,842	1,949	1,096		

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	2,236
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	24,298
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	111,824
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b <u>24,298</u>	26d	24,298
e Public support (line 26c minus line 26d total)	26e	87,526
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	78.2712%

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 " **N/A**  
Do not file this list with your return. Enter the sum of such amounts for each year:

(2004)	(2003)	(2002)	(2001)
--------	--------	--------	--------

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 11b, 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**

(2004)	(2003)	(2002)	(2001)
--------	--------	--------	--------

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	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 2001 through 2004, 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)**

		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?			
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?	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?  If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d		
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?  If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **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-		
<b>If the amount on line 40 is-</b>		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
<b>The lobbying nontaxable amount is-</b>		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$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) 2005	(b) 2004	(c) 2003	(d) 2002	(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.)

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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines through c 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 through c h.)

Yes	No	Amount
	X	
	X	
	X	0
	X	0
	X	0
	X	0
	X	0
	X	0
		0

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 12 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?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
- (ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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:

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

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

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
<b>N/A</b>		

Forms <b>990 / 990-PF</b>	<b>Loans from Officers, Directors, Trustees, and Key Employees or Other Disqualified Persons</b>	<b>2005</b>
For calendar year 2005, or tax year beginning		, and ending

Name <b>APPLIED SCHOLASTICS OF ORANGE CNTY</b>	Employer Identification Number <b>33-0631479</b>
---	---

**FORM 990, PART IV, LINE 63 - ADDITIONAL INFORMATION**

Name of lender	Title
(1) <b>JOANNE TAKANO IRWIN - VARIOUS CREDIT</b>	<b>CEO AND DIRECTOR</b>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <b>39,070</b>	<b>VARIOUS</b>	<b>VARIOUS</b>	<b>AS AVAILABLE</b>	
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <b>NONE</b>	<b>OPERATING EXPENSES</b>
(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) <b>CASH OF \$39,158</b>	<b>19,373</b>	
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Totals</b>	<b>19,373</b>	

Forms <b>990 / 990-PF</b>	<b>Mortgages and Other Notes Payable</b>	<b>2005</b>
For calendar year 2005, or tax year beginning _____, and ending _____		

Name <b>APPLIED SCHOLASTICS OF ORANGE CNTY</b>	Employer Identification Number <b>33-0631479</b>
---	---

**FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION**

Name of lender	Relationship to disqualified person
(1) <b>MIKE MACKENZIE</b>	<b>BROTHER-IN-LAW OF CEO</b>
(2) <b>STEVE SHIMABUKU</b>	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <b>10,000</b>	<b>VARIOUS</b>	<b>VARIOUS</b>	<b>AS AVAILABLE</b>	
(2) <b>50,000</b>	<b>12/31/04</b>		<b>AS AVAILABLE</b>	<b>4.000</b>
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <b>NONE</b>	<b>OPERATING EXPENSES</b>
(2) <b>NONE</b>	
(3)	<b>PROGRAM ASSISTANCE</b>
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) <b>CASH - \$10,000</b>	<b>5,200</b>	
(2) <b>CASH OF \$50,000</b>	<b>50,000</b>	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10) <b>Totals</b>	<b>55,200</b>	



**Federal Statements**

**Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other**

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/-Loss
SOLD TO YOUTH SPECIALIST CENTERS			VARIOUS	4/30/05	\$ 29,347	\$ 43,995	\$ 14,648	
GOODWILL			8/01/94	12/31/05	154,529			154,529
TOTAL					\$ 183,876	\$ 43,995	\$ 14,648	\$ 154,529

**Statement 2 - Form 990, Line 10c - Sales of Inventory**

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
BOOKSTORE SALES	\$ 297	\$ 164	\$ 133
TOTAL	<u>\$ 297</u>	<u>\$ 164</u>	<u>\$ 133</u>

**Federal Statements**

**Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
<b>EXPENSES</b>				
REFERRAL COMMISSIONS	773	773		
TRADEMARK LICENSE FEES	6,468	6,468		
ADVERTISING & PROMOTION	3,415	3,415		
BANK SERVICE CHARGES	262		262	
LICENSES & FEES	23		23	
INTERNET EXPENSE	2,695	2,019	563	113
CREDIT CARD MERCHANT FEES	1,074	1,074		
MISCELLANEOUS	-427		-427	
<b>TOTAL</b>	<u>\$ 14,283</u>	<u>\$ 13,749</u>	<u>\$ 421</u>	<u>\$ 113</u>

**Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose**

TO INCREASE THE SKILLS OF PROFESSIONAL EDUCATORS, PARENTS  
AND STUDENTS IN DEALING WITH NEGATIVE FAMILY ISSUES  
USING THE STUDY TECHNOLOGY UNDER TRADEMARK LICENSE FROM  
APPLIED SCHOLASTICS INTERNATIONAL.

**Statement 5 - Form 990, Part IV, Line 65 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
PAYROLL TAXES PAYABLE	\$ 73,286	\$
SALES TAX PAYABLE	362	
TOTAL	<u>\$ 73,648</u>	<u>\$ 0</u>

# Federal Statements

## Statement 6 - Form 990, Part V-A, Line 75b - Related Party Information

Name	Business Name	Title	Name
	Business Name	Title	Relationship
DANIEL IRWIN, SECRETARY, AND			
JOANNE TAKANO-IRWIN, CEO AND			
DIRECTOR, ARE HUSBAND AND WIFE.			

**Statement 7 - Form 990, Part VI, Line 79 - Description of Liquidation, Dissolution, Etc.**Description

THE ORGANIZATION CEASED OPERATIONS AND LIQUIDATED IN 2005. ALL OF THE FIXED ASSETS WERE SOLD TO YOUTH SPECIALIST CENTERS, AN AFFILIATED ORGANIZATION, FOR \$29,347 (THEIR NET BOOK VALUE). ADDITIONALLY, YOUTH SPECIALIST CENTERS ASSUMED NET LIABILITIES OF THE ORGAZNIZATION TOTALLING \$154,529; SUCH AMOUNT WAS REPORTED AS A SALE OF GOODWILL BY THE ORGANIZATION IN THIS FORM 990.

**Statement 8 - Schedule A, Part III, Line 2b - Lending of Money or Extension of Credit**

Description

SEE ATTACHED LOAN WORKSHEETS FOR A DESCRIPTION OF LOANS FROM THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER.



**Federal Asset Report**

**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus % 179	Sec Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>Other Depreciation:</b>									
1	Credit Card Machine	6/10/02	345			345	5 MO S/L	173	0
	Mass Sale: 4/30/05								
2	Computer Equipment	7/01/02	1,100			1,100	5 MO S/L	550	0
	Mass Sale: 4/30/05								
3	Furniture	7/01/02	19,950			19,950	7 MO S/L	7,125	0
	Mass Sale 4/30/05								
4	Reference Library	1/01/03	6,000			6,000	7 MO S/L	1,714	0
	Mass Sale 4/30/05								
5	Furniture & Fixtures	1/01/03	9,400			9,400	7 MO S/L	2,686	0
	Mass Sale 4/30/05								
6	Computer & Related Equip	1/01/03	5,000			5,000	5 MO S/L	2,000	0
	Mass Sale 4/30/05								
7	Phone System	1/01/03	1,000			1,000	5 MO S/L	400	0
	Mass Sale 4/30/05								
8	Truck - donated	2/15/05	1,200			1,200	3 MO S/L	0	0
	Mass Sale: 4/30/05								
9	Goodwill	8/01/94	0			0	0 HY	0	0
	Sold/Scrapped 12/31/05								
	<b>Total Other Depreciation</b>		<u>43,995</u>			<u>43,995</u>		<u>14,648</u>	<u>0</u>
	<b>Total ACRS and Other Depreciation</b>		<u>43,995</u>			<u>43,995</u>		<u>14,648</u>	<u>0</u>
	<b>Grand Totals</b>		43,995			43,995		14,648	0
	<b>Less: Dispositions</b>		<u>43,995</u>			<u>43,995</u>		<u>14,648</u>	<u>0</u>
	<b>Net Grand Totals</b>		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>