Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

1998

This Form is Open to Public Inspection

A For the 1998 calendar year, OR tax year period beginning , 1998, and ending , 19

B Check if: [ ] Change of address [ ] Initial return [ ] Final return [ ] Amended return (required also for state reporting)

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

C Name of organization: APPLIED SCHOLASTICS INCORPORATED

Number and street (or P.O. box if mail is not delivered to street address): 7060 HOLLYWOOD BLVD. Room/suite: 200

City or town, state or country, and ZIP+4: LOS ANGELES, CA 90028-6015

D Employer identification number: 23-7250829

E Telephone number: (323)962-2907

F Check ▶ [ ] if exemption application is pending

G Type of organization ▶ [X] Exempt under 501(c) (3) ◀ (insert number) OR ▶ [ ] section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? [ ] Yes [X] No

(b) If "Yes," enter the number of affiliates for which this return is filed: ▶

(c) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ▶

J Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

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 it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than $100,000 and total assets less than $250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	17175.		
	b	Indirect public support	1b	4020.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash $ 21195. noncash $)			1d	21195.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	1476915.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	6183.
	5	Dividends and interest from securities			5	
	6 a	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	
	8 a	Gross amount from sale of assets other than inventory — (A) Securities / (B) Other	8a			
	b	Less: cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	
	9	Special events and activities (attach schedule):				
	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	
	10 a	Gross sales of inventory, less returns and allowances	10a	59563.		
	b	Less: cost of goods sold	10b	46690.		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) STMT 2			10c	12873.
	11	Other revenue (from Part VII, line 103)			11	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1517166.
Expenses	13	Program services (from line 44, column (B))			13	731905.
	14	Management and general (from line 44, column (C))			14	266572.
	15	Fundraising (from line 44, column (D))			15	124879.
	16	Payments to affiliates (attach schedule) SEE STATEMENT 3			16	392530.
	17	Total expenses (add lines 16 and 44, column (A))			17	1515886.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	1280.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	758359.
	20	Other changes in net assets or fund balances (attach explanation)			20	0.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	759639.

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RECEIVED OGDEN, UT

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

823001 12-11-98

Form 990 (1998)

09411115 790654 237250829 072 APPLIED SCHOLASTICS INCORPORAT 23725081

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.

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 $ 6446. noncash $	22	6446.	6446.	STATEMENT 8	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	66781.	46746.	13585.	6450.
26 Other salaries and wages	26	487126.	295325.	132010.	59791.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	50420.	31261.	13109.	6050.
30 Professional fundraising fees	30				
31 Accounting fees	31	1541.		1541.	
32 Legal fees	32	51272.	36492.	10140.	4640.
33 Supplies	33	32389.	16315.	13237.	2837.
34 Telephone	34	40908.	25363.	10636.	4909.
35 Postage and shipping	35	35547.	22643.	5359.	7545.
36 Occupancy	36	136331.	84526.	35445.	16360.
37 Equipment rental and maintenance	37	8638.	4992.	2093.	1553.
38 Printing and publications	38	28073.	21459.	4525.	2089.
39 Travel	39	53590.	46220.	6005.	1365.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	16908.	10482.	4397.	2029.
43 Other expenses (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e SEE STATEMENT 4	43e	107386.	83635.	14490.	9261.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	1123356.	731905.	266572.	124879.

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ▶ ☐ 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

What is the organization's primary exempt purpose? ▶ TO IMPROVE AND REVITALIZE THE FIELD OF EDUCATION

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

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a SEE STATEMENT 5 (Grants and allocations $ 6446.)	225612.
b SEE STATEMENT 6 (Grants and allocations $)	314923.
c SEE STATEMENT 7 (Grants and allocations $)	191370.
d (Grants and allocations $)	
e Other program services (attach schedule) (Grants and allocations $)	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	731905.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

	Line	Description			(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing			248308.	45	373862.
	46	Savings and temporary cash investments				46	
	47 a	Accounts receivable	47a	249513.			
	b	Less: allowance for doubtful accounts	47b	55995.	170462.	47c	193518.
	48 a	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	
	51 a	Other notes and loans receivable	51a	130730.			
	b	Less: allowance for doubtful accounts	51b		123666.	51c	130730.
	52	Inventories for sale or use			60314.	52	43547.
	53	Prepaid expenses and deferred charges			50831.	53	35465.
	54	Investments - securities (attach schedule)				54	
	55 a	Investments - land, buildings, and equipment: basis	55a				
	b	Less: accumulated depreciation (attach schedule)	55b			55c	
	56	Investments - other SEE STATEMENT 9			9877.	56	9877.
	57 a	Land, buildings, and equipment: basis	57a	106984.			
	b	Less: accumulated depreciation STMT 10	57b	46545.	57338.	57c	60439.
	58	Other assets (describe ▶ SEE STATEMENT 11)			111771.	58	1400.
	59	**Total assets** (add lines 45 through 58) (must equal line 74)			832567.	59	848838.
Liabilities	60	Accounts payable and accrued expenses			74208.	60	89199.
	61	Grants payable				61	
	62	Deferred revenue				62	
	63	Loans from officers, directors, trustees, and key employees				63	
	64 a	Tax-exempt bond liabilities				64a	
	b	Mortgages and other notes payable				64b	
	65	Other liabilities (describe ▶)				65	
	66	**Total liabilities** (add lines 60 through 65)			74208.	66	89199.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ ☐ and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted				67	
	68	Temporarily restricted				68	
	69	Permanently restricted				69	
		Organizations that do not follow SFAS 117, check here ▶ [X] and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			0.	70	0.
	71	Paid-in or capital surplus, or land, building, and equipment fund			0.	71	0.
	72	Retained earnings, endowment, accumulated income, or other funds			758359.	72	759639.
	73	**Total net assets or fund balances** (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)			758359.	73	759639.
	74	**Total liabilities and net assets / fund balances** (add lines 66 and 73)			832567.	74	848838.

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**

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:		
(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:		
(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:		
(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:		
(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.)

(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
JOANNE TAKANO IRWIN 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. 90028	TRUSTEE/DIRECTOR/PRESIDENT 40	24956.	0.	0.
LAURIE ZURN 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
SCOTT TREGURTHA 7060 HOLLYWOOD BLVD. #306 LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
CLARK CARR 7070 HOLLYWOOD BLVD. #220, LOS ANGELES, CALIF. 90028	TRUSTEE/DIRECTOR AS NEEDED	0.	0.	0.
FRANK ZURN 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
PHIL HART 7060 HOLLYWOOD BLVD. #220, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
RUTH LYONS 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. 90028	TREASURER 40	23197.	0.	0.
MARGARET MCCARTHY 7060 HOLLYWOOD BLVD., #200, LOS ANGELES, CALIF. 90028	SECRETARY 40	18628.	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? If "Yes," attach schedule. ▶ ☐ Yes ☒ No

Part VI Other Information

				Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement;		79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		80a	X	
b	If "Yes," enter the name of the organization ▶ SEE STATEMENT 12 and check whether it is ☐ exempt OR ☐ nonexempt.				
81 a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a 0.			
b	Did the organization file Form 1120-POL for this year?		81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III)	82b N/A			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?		83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	84a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b		
85	501(c)(4), (5), or (6) organizations. - a Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.				
c	Dues, assessments, and similar amounts from members	85c N/A			
d	Section 162(e) lobbying and political expenditures	85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	85g		
h	If section 6033(e)(1)(A) dues notice were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h		
86	501(c)(7) organizations. - 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) organizations. - 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? If "Yes," complete Part IX		88		X
89 a	501(c)(3) organizations. - Enter: Amount of tax imposed during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b	501(c)(3) and 501(c)(4) organizations. - Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction		89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	▶ 0.			
d	Enter: Amount of tax in 89c, above, reimbursed by the organization	▶ 0.			
90 a	List the states with which a copy of this return is filed ▶ CALIFORNIA				
b	Number of employees employed in the pay period that includes March 12, 1998		90b	26	

91 The books are in care of ▶ RUTH LYONS Telephone no. ▶ 323 962-2907

Located at ▶ 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. ZIP + 4 ▶ 90028-6015

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

Part VII Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (A) Business code	Unrelated business income (B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	Excluded by section 512, 513, or 514 (D) Amount	(E) Related or exempt function income
93 Program service revenue:					
(a) TRADEMARK LICENSE FEES					1449278.
(b) EDUCATIONAL SERVICES					25695.
(c) CONSULTING FEES					1942.
(d)					
(e)					
(f) Medicare/Medicaid payments					
(g) Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	6183.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
(a) debt-financed property					
(b) not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					12873.
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		6183.	1489788.

105 TOTAL (add line 104, columns (B), (D), and (E)) ▶ 1495971.

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

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	THE ORGANIZATION PROVIDES EDUCATIONAL TECHNOLOGY, GUIDANCE, & QUALITY CONTROL SERVICES TO EDUCATIONAL GROUPS, SCHOOLS, AND TUTORS TO ENHANCE THEIR ABILITY TO PROVIDE QUALITY EDUCATION TO THEIR COMMUNITIES.
93B	THE ORGANIZATION DELIVERS COUSES TO EDUCATORS & STUDENTS.
93C	THE ORGANIZATION CONSULTS WITH EDUCATORS.
102	THE ORGANIZATION SELLS EDUCATIONAL MATERIALS AND PUBLICATIONS TO TEACH EDUCATORS AND STUDENTS HOW TO LEARN.

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
N/A	%			
	%			
	%			
	%			

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.

▶ R. Lyons Treasurer | 15 Nov 99 ▶ RUTH LYONS, TREASURER

Signature of officer | Date | Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ R Blakeslee CPA | Date 15 NOV 99 | Check if self-employed ▶ ☐ | Preparer's SSN

Firm's name (or yours if self-employed) and address ▶ BLAKESLEE CPA GROUP
814 MICHELTORENA ST.
LOS ANGELES, CA

EIN ▶

ZIP + 4 ▶ 90026-2702

SCHEDULE A (Form 990)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information

▶ Must be completed by the above organizations and attached to their Form 990 or 990EZ.

OMB No. 1545-0047

1998

Name of the organization: Applied Scholastics Incorporated

Employer identification number: 23 7250829

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See 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 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		

LHA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ.

823101
12-07-98

Part III Statement About Activities

		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?	1		X
If "Yes," enter the total expenses paid or incurred in connection with the lobbying activites. ▶ $			
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 oganization, either directly or indirectly, engaged in any of the following acts with any of its 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:			
a Sale, exchange, or leasing of property?	2a		X
b Lending of money or other extension of credit?	2b		X
c Furnishing of goods, services, or facilities?	2c		X
d Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? See Part V, Form 990	2d	X	
e Transfer of any part of its income or assets?	2e		X
If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3		X
4 a Do you have a section 403(b) annuity plan for your employees?	4a		X
b 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 instructions.) See Statement 13			

Part IV Reason for Non-Private Foundation Status (See 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, page 4.)

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 [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [ ] An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

(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 instructions on page 4.)

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12 above.) **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) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	11917.	39208.	247476.	128903.	427504.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	1388274.	1316871.	1339891.	1018421.	5063457.
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	5894.	5673.	4684.	4356.	20607.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	1406085.	1361752.	1592051.	1151680.	5511568.
24 Line 23 minus line 17	17811.	44881.	252160.	133259.	448111.
25 Enter 1% of line 23	14061.	13618.	15921.	11517.	

26 **Organizations described in lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 8962.

b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1994 through 1997 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts See Statement 14 ▶ 26b 69430.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 448111.

d Add: Amounts from column (e) for lines: 18 20607. 19 ______ 22 ______ 26b 69430. ▶ 26d 90037.

e Public support (line 26c minus line 26d total) ▶ 26e 358074.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 79.9074%

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year. N/A

(1997) .... (1996) .... (1995) .... (1994) ....

b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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.) After computing the difference between the amount received and the larger amount decribed in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year: N/A

(1997) .... (1996) .... (1995) .... (1994) ....

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c N/A

d Add: Line 27a total ______ and line 27b total ______ ▶ 27d N/A

e Public support (line 27c, total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f N/A

g **Public support percentage (line 27e (numerator) divided by line 27f, (denominator))** ▶ 27g N/A %

h **Investment income percentage (line 18 column (e) (numerator) divided by line 27f (denominator))** ▶ 27h N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12, that received any unusual grants during 1994 through 1997, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions.)

None

Part V **Private School Questionnaire**
(To be completed ONLY by schools that checked the box on line 6 in Part IV) N/A

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities

(To be completed ONLY by an eligible organization that filed Form 5768) N/A

Check here ▶ a ☐ If the organization belongs to an affiliated group.

Check here ▶ b ☐ If you checked "a" above 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
		N/A	
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 -			
If the amount on line 40 is - / The lobbying nontaxable amount is -			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		
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.)

Lobbying Expenditures During 4-Year Averaging Period — N/A

Calendar year (or fiscal year beginning in) ▶	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(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)

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always indicate 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. N/A

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

52 a 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. N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Depreciation and Amortization Detail

Form 990 Page 2 990

Asset Number	Description of property / Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	FURNITURE AND EQUIPMENT							
	94	SL	7.00	19	5106.		2553.	729.
2	FURNITURE AND EQUIPMENT							
	95	SL	7.00	19	211.		60.	30.
6	COMPUTER AND OFFICE EQUIPMENT							
	92	SL	5.00	19	953.		953.	0.
7	COMPUTER AND OFFICE EQUIPMENT							
	93	SL	5.00	19	5130.		4617.	513.
8	COMPUTER AND OFFICE EQUIPMENT							
	94	SL	5.00	19	3151.		2205.	630.
9	COMPUTER AND OFFICE EQUIPMENT							
	95	SL	5.00	19	12435.		6217.	2487.
13	OFFICE FURNITURE							
	070196	SL	7.00	19	12143.		2602.	1735.
14	COMPUTER							
	070196	SL	5.00	19	28958.		8688.	5792.
15	FURNITURE							
	102897	SL	7.00	19	2017.		48.	288.
16	FURNITURE							
	070897	SL	7.00	19	1283.		92.	183.
17	FURNITURE							
	072197	SL	7.00	19	2155.		128.	308.
18	OFFICE EQUIPMENT							
	042997	SL	7.00	19	1210.		115.	173.
19	OFFICE EQUIPMENT							
	052897	SL	7.00	19	2380.		198.	340.
20	OFFICE EQUIPMENT							
	070897	SL	7.00	19	1252.		89.	179.
21	COMPUTER							
	012097	SL	5.00	19	3941.		723.	788.
22	COMPUTER							
	072197	SL	5.00	19	2338.		195.	468.
23	COMPUTER							
	082497	SL	5.00	19	2312.		154.	462.
24	FURNITURE & EQUIPMENT							
	070198	SL	7.00	19	2835.			203.
25	FURNITURE & EQUIPMENT							
	070198	SL	7.00	19	4113.			294.
26	COMPUTER EQUIPMENT							
	070198	SL	5.00	19	13061.			1306.
	** Total 990 Page 2 Depreciation							
					106984.		29637.	16908.

- Current year section 179 (D) - Asset disposed

Footnotes Statement 1

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

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

Applied Scholastics Incorporated 23-7250829

Form 990 — Income and Cost of Goods Sold Included on Part I, Line 10 — Statement 2

Income

1. Gross receipts	59563	
2. Returns and allowances		
3. Line 1 less line 2		59563
4. Cost of goods sold (line 13)	46690	
5. Gross profit (line 3 less line 4)		12873

Cost of Goods Sold

6. Inventory at beginning of year	60314	
7. Merchandise purchased	29923	
8. Cost of labor		
9. Materials and supplies		
10. Other costs		
11. Add lines 6 through 10		90237
12. Inventory at end of year	43547	
13. Cost of goods sold (line 11 less line 12)		46690

Form 990 .	Payments to Affiliates	Statement 3

Affiliate's Name	Affiliate's Address
ASSOCIATION FOR BETTER LIVING & EDUCATION	6331 HOLLYWOOD BL #700 LOS ANGELES, CA 90028-6013

Purpose of Payment	Amount
TRADEMARK LICENSE FEES	392530.
Total to Form 990, Part I, line 16	392530.

Applied Scholastics Incorporated 23-7250829

Form 990 Other Expenses Statement 4

Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
PROMOTION	92584.	79025.	5311.	8248.
STAFF TRAINING	6333.	3926.	1647.	760.
COMMISSION	253.		0.	253.
TRAINING MATERIALS	684.	684.		
BANK CHARGES	3949.		3949.	
LICENSES, FEES & DUES	61.		61.	
INVENTORY WRITTEN OFF	3522.		3522.	
Total to Fm 990, ln 43	107386.	83635.	14490.	9261.

Form 990 Statement of Program Service Accomplishments Statement 5

Description of Program Service One

APPLIED SCHOLASTICS PROVIDED EDUCATIONAL MATERIALS AND DIRECT ASSISTANCE TO OVER 321 SCHOOLS, TUTORS & EDUCATION GROUPS IN THE LAST YEAR ENABLING THEM TO TEACH STUDENTS HOW TO LEARN. THROUGH ITS EFFORTS, APPLIED SCHOLASTICS ENABLED THESE GROUPS TO ASSIST THOUSANDS OF INDIVIDUALS IN THEIR RESPECTIVE COMMUNITIES.
DURING 1998, APPLIED SCHOLASTICS AFFILIATED GROUPS PROVIDED APPROXIMATELY 800,000 TUTORING HOURS, WHICH IS AN INCREASE FROM 300,000 IN 1997. OVER 44,200 INDIVIDUAL STUDENTS WERE HELPED WITH THE APPLIED SCHOLASTICS STUDY TECHNOLOGY. APPLIED SCHOLASTICS RESPONDED TO OVER 1,100 PUBLIC INQUIRIES AND REQUESTS FOR EDUCATIONAL MATERIALS. 55 NEW SCHOOLS AND OTHER EDUCATIONAL ACTIVITIES WERE STARTED IN 11 COUNTRIES.

	Grants	Expenses
To Form 990, Part III, line a	6446.	225612.

Description of Program Service Two

DURING 1998, A CAMPAIGN TO MAKE THE EDUCATIONAL TECHNOLOGY AND SERVICES OF APPLIED SCHOLASTICS KNOWN AND AVAILABLE TO TEACHERS CONTINUED TO GROW IN MEXICO WHERE A TOTAL OF 8,772 TEACHERS, STUDENTS AND PARENTS ATTENDED ITS EDUCATIONAL SEMINARS. ONE SCHOOL, PRIOR TO IMPLEMENTING THE APPLIED SCHOLASTICS PROGRAM, HAD THE LOWEST GRADE AVERAGE AND HIGHEST FAILURE RATE IN ITS REGION. AFTER IMPLEMENTING THE PROGRAM AMONG BOTH TEACHERS AND STUDENTS, THE FAILURE RATE IMMEDIATELY DROPPED TO ZERO AND THE FOLLOWING MONTH THE SCHOOL RECEIVED HONORS FOR ITS REGION.

IN ZIMBABWE, OVER 1,000 TEACHERS LEARNED ABOUT BASIC STUDY TECHNIQUES WHICH SUPPLIED THEM WITH NECESSARY TEACHING SKILLS TO AID IN IMPROVING THE EDUCATIONAL STANDARDS IN THEIR COUNTRY. 15,000 CHILDREN STUDIED THE EDUCATIONAL BOOKS "LEARNING HOW TO LEARN" AND "STUDY SKILLS FOR LIFE" TO PROVIDE THEM WITH THE TOOLS TO BE SELF-LEARNERS AND SUCCESSFUL IN THEIR CHOSEN CAREERS. 83% OF THE TEACHERS LATER SURVEYED RATED THE PROGRAM AS "EFFECTIVE" OR "VERY EFFECTIVE" IN ACHIEVING RESULTS.

IN ADA, GHANA, 36 SENIOR EDUCATORS FROM THE COUNTRY'S MAJOR EDUCATIONAL INSTITUTIONS PARTICIPATED IN AN APPLIED SCHOLASTICS COURSE IN STUDY TECHNIQUES BEFORE RETURNING HOME TO HELP RAISE THE EDUCATION LEVELS IN THEIR OWN SCHOOLS. 1,000 STUDENTS WERE TAUGHT LEARNING SKILLS THAT WILL HELP THEM IN THEIR EDUCATION AND THROUGHOUT THEIR LIVES.

	Grants	Expenses
To Form 990, Part III, line b		314923.

Form 990 Statement of Program Service Accomplishments Statement 7

Description of Program Service Three

APPLIED SCHOLASTICS CONDUCTED PUBLIC INFORMATION CAMPAIGNS TO MAKE EFFECTIVE SOLUTIONS TO EDUCATIONAL FAILURES AND DIFFICULTIES AVAILABLE TO SCHOOLS, PARENTS AND INDIVIDUALS. OVER 500,000 PUBLICATIONS ON EDUCATION AND LITERACY WERE SENT TO EDUCATORS AND COMMUNITY LEADERS WITH POSITIVE RESPONSE. HUNDREDS OF NEWSPAPER ARTICLES ON EDUCATION WERE PRINTED IN ORDER TO RAISE PUBLIC AWARENESS OF THE DECLINING EDUCATION LEVELS AND TO PROVIDE INFORMATION ON THE SOLUTIONS AVAILABLE THROUGH APPLIED SCHOLASTICS EDUCATIONAL SERVICES.

	Grants	Expenses
To Form 990, Part III, line c		191370.

Form 990 Cash Grants and Allocations Statement 8

Classification	Donee's Name	Donee's Address	Donee's Relationship	Amount
EDUCATIONAL	ASSOC FOR BETTER LIVING & EDUCATION	LOS ANGELES, CA 90028-6013	N/A	6246.
EDUCATIONAL	ABILITY PLUS SCHOOL	220 EL CAMINO REAL, TUSTIN, CA 92780-3669	N/A	200.
Total Included on Form 990, Part II, line 22				6446.

Form 990 . Other Investments Statement 9

Description	Valuation Method	Amount
ARTWORK - COLLECTORS' ITEMS	Cost	9877.
Total to Form 990, Part IV, line 56, Column B		9877.

Form 990 . Depreciation of Assets Not Held for Investment Statement 10

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
FURNITURE AND EQUIPMENT	5106.	3282.	1824.
FURNITURE AND EQUIPMENT	211.	90.	121.
COMPUTER AND OFFICE EQUIPMENT	953.	953.	0.
COMPUTER AND OFFICE EQUIPMENT	5130.	5130.	0.
COMPUTER AND OFFICE EQUIPMENT	3151.	2835.	316.
COMPUTER AND OFFICE EQUIPMENT	12435.	8704.	3731.
OFFICE FURNITURE	12143.	4337.	7806.
COMPUTER	28958.	14480.	14478.
FURNITURE	2017.	336.	1681.
FURNITURE	1283.	275.	1008.
FURNITURE	2155.	436.	1719.
OFFICE EQUIPMENT	1210.	288.	922.
OFFICE EQUIPMENT	2380.	538.	1842.
OFFICE EQUIPMENT	1252.	268.	984.
COMPUTER	3941.	1511.	2430.
COMPUTER	2338.	663.	1675.
COMPUTER	2312.	616.	1696.
FURNITURE & EQUIPMENT	2835.	203.	2632.
FURNITURE & EQUIPMENT	4113.	294.	3819.
COMPUTER EQUIPMENT	13061.	1306.	11755.
Total to Form 990, Part IV, ln 57	106984.	46545.	60439.

Form 990	Other Assets	Statement 11

Description	Amount
DEPOSIT ON CONSTRUCTION	0.
AUTO LEASE DEPOSIT	1400.
Total to Form 990, Part IV, line 58, Column B	1400.

Form 990 Identification of Related Organizations Statement 12
Part VI, Line 80b

Name of Organization	Exempt	NonExempt
ASSOCIATION FOR BETTER LIVING & EDUCATION	X	
NARCONON INTERNATIONAL	X	
THE WAY TO HAPPINESS FOUNDATION	X	

Schedule A   Explanation of Qualifications to Receive Payments   Statement 13
Part III, Line 4

THE RECIPIENTS OF APPLIED SCHOLASTICS' GRANTS WERE QUALIFIED EXEMPT ORGANIZATIONS. PROJECTS ARE DETERMINED TO BE QUALIFIED ON AN INDIVIDUAL BASIS.