EXTENSION GRANTED THROUGH 11/15/00

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

1999

This Form is Open to Public Inspection

A For the 1999 calendar year, OR tax year period beginning and ending

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 INTERNATIONAL

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

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Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	32,007.		
	b	Indirect public support	1b	26,591.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash $ 58,598. noncash $)			1d	58,598.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	1,464,696.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	6,618.
	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	144,615.		
	b	Less: cost of goods sold	10b	99,659.		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) STMT 2			10c	44,956.
	11	Other revenue (from Part VII, line 103)			11	1,248.
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,576,116.
Expenses	13	Program services (from line 44, column (B))			13	851,025.
	14	Management and general (from line 44, column (C))			14	294,483.
	15	Fundraising (from line 44, column (D))			15	45,281.
	16	Payments to affiliates (attach schedule) SEE STATEMENT 3			16	401,928.
	17	Total expenses (add lines 16 and 44, column (A))			17	1,592,717.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	<16,601.>
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	759,639.
	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	743,038.

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

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 $ 6,660. noncash $	22	6,660.	6,660.	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	94,952.	68,948.	16,063.	9,941.
26 Other salaries and wages	26	449,173.	315,790.	122,750.	10,633.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	46,321.	32,460.	12,055.	1,806.
30 Professional fundraising fees	30				
31 Accounting fees	31	3,130.		3,130.	
32 Legal fees	32	43,837.	30,942.	11,159.	1,736.
33 Supplies	33	21,625.	15,286.	5,496.	843.
34 Telephone	34	42,404.	29,729.	11,038.	1,637.
35 Postage and shipping	35	18,033.	13,245.	4,125.	663.
36 Occupancy	36	179,046.	125,987.	45,992.	7,067.
37 Equipment rental and maintenance	37	9,067.	6,394.	2,307.	366.
38 Printing and publications	38	16,295.	11,799.	3,882.	614.
39 Travel	39	53,604.	37,656.	13,851.	2,097.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	18,814.	13,012.	5,072.	730.
43 Other expenses (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e SEE STATEMENT 4	43e	187,828.	143,117.	37,563.	7,148.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	1,190,789.	851,025.	294,483.	45,281.

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 $)	382,977.
b SEE STATEMENT 6 (Grants and allocations $)	313,553.
c SEE STATEMENT 7 (Grants and allocations $)	154,495.
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)* ▶	851,025.

Part IV Balance Sheets

	Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing			373,862.	45	211,166.
	46 Savings and temporary cash investments				46	22,199.
	47 a Accounts receivable	47a	238,406.			
	b Less: allowance for doubtful accounts	47b	47,327.	193,518.	47c	191,079.
	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				50	
	51 a Other notes and loans receivable	51a	136,812.			
	b Less: allowance for doubtful accounts	51b		130,730.	51c	136,812.
	52 Inventories for sale or use			43,547.	52	101,837.
	53 Prepaid expenses and deferred charges			35,465.	53	
	54 Investments - securities				54	
	55 a Investments - land, buildings, and equipment: basis	55a				
	b Less: accumulated depreciation	55b			55c	
	56 Investments - other SEE STATEMENT 9			9,877.	56	9,877.
	57 a Land, buildings, and equipment: basis	57a	116,964.			
	b Less: accumulated depreciation STMT 10	57b	65,358.	60,439.	57c	51,606.
	58 Other assets (describe ▶ DEPOSITS - VARIOUS)			1,400.	58	118,007.
	59 **Total assets** (add lines 45 through 58) (must equal line 74)			848,838.	59	842,583.
Liabilities	60 Accounts payable and accrued expenses			89,199.	60	99,545.
	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	0.
	66 **Total liabilities** (add lines 60 through 65)			89,199.	66	99,545.
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			759,639.	72	743,038.
	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)			759,639.	73	743,038.
	74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			848,838.	74	842,583.

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 NERMON (SEE FOOTNOTE) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	TRUSTEE/DIRECTOR/EXEC DIR 40	33,332.	0.	0.
IAN LYONS (SEE FOOTNOTE) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	PRESIDENT 40	26,658.	0.	0.
BILLY CHALMERS (SEE FOOTNOTE) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	SECRETARY 40	8,678.	0.	0.
RUTH LYONS (SEE FOOTNOTE) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	TREASURER 40	26,284.	0.	0.
LAURIE ZURN 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	TRUSTEE AS NEEDED	0.	0.	0.
CLARKE CARR 7060 HOLLYWOOD BLVD. SUITE 220 LOS ANGELES, CA 90028	TRUSTEE/DIRECTOR AS NEEDED	0.	0.	0.
FRANK ZURN 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	DIRECTOR AS NEEDED	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? 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 11 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, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?* If "Yes," complete Part IX		88		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b	*501(c)(3) and 501(c)(4) 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, 1999		90b	36	

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					1,439,413.
(b) EDUCATIONAL SERVICES					8,873.
(c) CONSULTING FEES					506.
(d) ROYALTIES INCOME			15	15,904.	
(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	6,618.	
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					44,956.
103 Other revenue:					
a PAYROLL TAX REFUND					1,248.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		22,522.	1,494,996.
105 TOTAL (add line 104, columns (B), (D), and (E)) ▶					1,517,518.

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 COURSES 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	%			
	%			
	%			
	%			

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. (Important: See General Instruction U.)

Please Sign Here ▶ x Ruth Lyons — Signature of officer | x 15 Nov. 2000 — Date | ▶ x RUTH B. LYONS CFO — Type or print name and title

Paid Preparer's Use Only			
Preparer's signature ▶ CPA	Date 11/15/00	Check if self-employed ▶ ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address ▶ NANAS STERN BIERS NEINSTEIN AND CO. LL 9454 WILSHIRE BLVD., 4TH FLOOR BEVERLY HILLS, CA		EIN ▶ 95-2399533	ZIP + 4 ▶ 90212-2907

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 990-EZ.

OMB No. 1545-0047

1999

Name of the organization: APPLIED SCHOLASTICS INTERNATIONAL

Employer Identification number: 23 7250829

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

(See 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.

923101
12-14-99

Part III Statements 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? 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.	1		X
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? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e		X
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 12			

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

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

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

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

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

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12-14-99

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) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	21,195.	11,917.	39,208.	247,476.	319,796.
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	1,489,788.	1,388,274.	1,316,871.	1,339,891.	5,534,824.
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	6,183.	5,894.	5,673.	4,684.	22,434.
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			SEE STATEMENT 13		
23 Total of lines 15 through 22	1,517,166.	1,406,085.	1,361,752.	1,592,051.	5,877,054.
24 Line 23 minus line 17	27,378.	17,811.	44,881.	252,160.	342,230.
25 Enter 1% of line 23	15,172.	14,061.	13,618.	15,921.	

26 **Organizations described in lines 10 or 11:** **a** Enter 2% of amount in column (e), line 24 ▶ 26a 6,845.

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 1995 through 1998 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts SEE STATEMENT 14 ▶ 26b 116,604.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 342,230.

d Add: Amounts from column (e) for lines: 18 22,434. 19 ______ 22 ______ 26b 116,604. ▶ 26d 139,038.

e Public support (line 26c minus line 26d total) ▶ 26e 203,192.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 59.3729%

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

(1998) ______ (1997) ______ (1996) ______ (1995) ______

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

(1998) ______ (1997) ______ (1996) ______ (1995) ______

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 1995 through 1998, 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 -	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

If the amount on line 40 is -	*The lobbying nontaxable amount is -*
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or *fiscal year beginning in*) ▶	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(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 [X] No

b If 'Yes,' complete the following schedule: N/A

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

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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	5,106.		3,282.	729.
2	FURNITURE AND EQUIPMENT							
	95	SL	7.00	19	211.		90.	30.
6	COMPUTER AND OFFICE EQUIPMENT							
	92	SL	5.00	19	953.		953.	0.
7	COMPUTER AND OFFICE EQUIPMENT							
	93	SL	5.00	19	5,130.		5,130.	0.
8	COMPUTER AND OFFICE EQUIPMENT							
	94	SL	5.00	19	3,151.		2,835.	316.
9	COMPUTER AND OFFICE EQUIPMENT							
	95	SL	5.00	19	12,435.		8,704.	2,487.
13	OFFICE FURNITURE							
	070196	SL	7.00	19	12,143.		4,337.	1,735.
14	COMPUTER							
	070196	SL	5.00	19	28,958.		14,480.	5,792.
15	FURNITURE							
	102897	SL	7.00	19	2,017.		336.	288.
16	FURNITURE							
	070897	SL	7.00	19	1,283.		275.	183.
17	FURNITURE							
	072197	SL	7.00	19	2,155.		436.	308.
18	OFFICE EQUIPMENT							
	042997	SL	7.00	19	1,210.		288.	173.
19	OFFICE EQUIPMENT							
	052897	SL	7.00	19	2,380.		538.	340.
20	OFFICE EQUIPMENT							
	070897	SL	7.00	19	1,252.		268.	179.
21	COMPUTER							
	012097	SL	5.00	19	3,941.		1,511.	788.
22	COMPUTER							
	072197	SL	5.00	19	2,338.		663.	468.
23	COMPUTER							
	082497	SL	5.00	19	2,312.		616.	462.
24	FURNITURE & EQUIPMENT							
	070198	SL	7.00	19	2,835.		203.	405.
25	FURNITURE & EQUIPMENT							
	070198	SL	7.00	19	4,113.		294.	588.
26	COMPUTER EQUIPMENT							
	070198	SL	5.00	19	13,061.		1,306.	2,612.
27	COMPUTER EQUIPMENT							
	070199	SL	5.00	19	5,837.			584.
28	FURNITURE & EQUIPMENT							
	070199	SL	7.00	19	2,343.			167.
29	COMPUTER EQUIPMENT							
	070199	SL	5.00	19	1,800.			180.
	** TOTAL 990 PAGE 2 DEPRECIATION							
					116,964.	0.	46,545.	18,814.

- Current year section 179 (D) - Asset disposed

FOOTNOTES	STATEMENT 1

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

FORM 990 INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10 STATEMENT 2

INCOME

1. GROSS RECEIPTS	144,615	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		144,615
4. COST OF GOODS SOLD (LINE 13)	99,659	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		44,956

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	43,547	
7. MERCHANDISE PURCHASED	157,949	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		201,496
12. INVENTORY AT END OF YEAR	101,837	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). .		99,659

FORM 990	PAYMENTS TO AFFILIATES	STATEMENT 3

AFFILIATE'S NAME	AFFILIATE'S ADDRESS
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL	7065 HOLLYWOOD BLVD., LOS ANGELES, CA 90028

PURPOSE OF PAYMENT	AMOUNT
TRADEMARK LICENSE FEES	401,928.
TOTAL TO FORM 990, PART I, LINE 16	401,928.

FORM 990	OTHER EXPENSES	STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMISSION	1,189.	0.	0.	1,189.
BANK CHARGES	5,755.	0.	5,755.	0.
LICENSES, FEES & DUES	2,435.	1,688.	650.	97.
PROMOTION	124,457.	88,904.	30,707.	4,846.
ROYALTIES	51,268.	51,268.	0.	0.
CLEANING & LAUNDRY	944.	0.	0.	944.
TRAINING MATERIALS	954.	673.	243.	38.
STAFF TRAINING	826.	584.	208.	34.
TOTAL TO FM 990, LN 43	187,828.	143,117.	37,563.	7,148.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE ONE

ASSISTANCE TO EDUCATIONAL AND LITERACY PROGRAMS:

THE PURPOSE OF APPLIED SCHOLASTICS INTERNATIONAL IS TO PROVIDE EFFECTIVE EDUCATIONAL SERVICES AND MATERIALS THAT HELP PEOPLE TO LEARN HOW TO LEARN AND THEREBY WORK EFFECTIVELY TO ACHIEVE THEIR GOALS AND REALIZE THEIR FULL POTENTIAL. IT USES THE EDUCATIONAL BREAKTHROUGHS DEVELOPED BY L. RON HUBBARD THROUGHOUT ALL OF ITS PROGRAMS.

DURING 1999, APPLIED SCHOLASTICS AIDED OVER 336 SCHOOLS, TUTORS AND EDUCATION GROUPS IN THE LAST YEAR: (1) BY DIRECTLY ASSISTING THEM TO TEACH STUDENTS HOW TO LEARN AND (2) BY PROVIDING EDUCATIONAL MATERIALS AND INFORMATIONAL LITERATURE. THROUGH ITS EFFORTS, APPLIED SCHOLASTICS ENABLED THESE GROUPS TO ASSIST MANY MORE INDIVIDUALS IN THEIR RESPECTIVE COMMUNITIES TO IMPROVE THEIR LITERACY AND STUDY SKILLS.

APPLIED SCHOLASTICS' AFFILIATED GROUPS PROVIDED OVER 628,000 HOURS OF TUTORING (AS DISTINGUISHED FROM GENERAL CLASSROOM INSTRUCTION). AN AVERAGE OF 7,500 STUDENTS PER WEEK WERE HELPED WITH THE APPLIED SCHOLASTICS STUDY TECHNOLOGY IN SCHOOLS AND THROUGH ONE-ON-ONE TUTORING.

APPLIED SCHOLASTICS ESTABLISHED A PUBLISHING DIVISION: EFFECTIVE EDUCATION PUBLISHING, AND PUBLISHED FIVE CHILDREN'S STUDY TECHNOLOGY BOOKS IN SOFTCOVER FOR BROAD PUBLIC AVAILABILITY, ADDING TO ITS HARDCOVER EDITIONS RELEASED IN 1992.

APPLIED SCHOLASTICS ALSO PLANNED, DESIGNED, EDITED AND PILOTED FOUR COURSES FOR EDUCATORS, INCLUDING SPECIAL EDITIONS FOR TRAINING TEACHERS IN UNDERDEVELOPED COUNTRIES SUCH AS GHANA, THE GAMBIA AND ZIMBABWE.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		382,977.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE TWO

LITERACY AND TEACHER TRAINING PROGRAMS:

IN 1999, APPLIED SCHOLASTICS REGULARLY SENT TEACHERS IT HAD TRAINED TO CHINA, TO TRAIN OTHER TEACHERS IN SCHOOLS AND COLLEGES IN ENGLISH AS A SECOND LANGUAGE USING THE STUDY TECHNOLOGY.

IN COLOMBIA, 50 TEACHERS WERE TRAINED ON STUDY TECHNOLOGY AND OVER 400 SIGNED UP FOR A COURSE SCHEDULED AT THE END OF THE YEAR.

DUE TO THE SUCCESSFUL RESULTS OF TRAINING 1,000 TEACHERS IN ZIMBABWE IN STUDY TECHNOLOGY IN PREVIOUS YEARS, FROM WHICH OVER 31,000 SCHOOL CHILDREN HAVE BENEFITED, AN APPLIED SCHOLASTICS TEAM RETURNED TO THIS COUNTRY TO ESTABLISH TRAINING UNITS IN SIX NEW DISTRICTS. THE FIRST TEACHERS IN A NEW REGION WERE TRAINED AND THEN STARTED TRAINING OTHER TEACHERS.

IN SOUTH AFRICA, TWO PROJECTS WERE LAUNCHED IN WHICH 75 TEACHERS WERE FULLY TRAINED TO IMPROVE THE LEARNING ABILITIES OF THE STUDENTS.

IN UTAH, 50 TEACHERS ATTENDED A WORKSHOP ON STUDY TECHNOLOGY AND ARE NOW IMPLEMENTING THIS IN THEIR SCHOOLS.

IN MEXICO, 1,700 STUDENTS LEARNED HOW TO STUDY AND 59 STUDY TECHNOLOGY SEMINARS WERE DELIVERED TO 8,772 TEACHERS, STUDENTS AND PARENTS.

IN THE DOMINICAN REPUBLIC, A WORKSHOP USING THE BOOK "BASIC STUDY MANUAL" WAS LAUNCHED IN SEPTEMBER 1999. AS A RESULT, 900 TEACHERS WERE TRAINED ON STUDY TECHNOLOGY AND A FURTHER 940 THROUGHOUT 29 PROVINCES, ARE SCHEDULED TO BE TRAINED.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		313,553.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 7

DESCRIPTION OF PROGRAM SERVICE THREE

PUBLIC INFORMATION ON EDUCATIONAL PROGRAMS:

APPLIED SCHOLASTICS CONDUCTED PUBLIC INFORMATION EVENTS AND CAMPAIGNS TO MAKE EFFECTIVE SOLUTIONS TO EDUCATIONAL FAILURES AND DIFFICULTIES AVAILABLE TO SCHOOLS, PARENTS AND INDIVIDUALS. NEARLY 2,500,000 MAGAZINES, NEWSLETTERS AND OTHER PUBLICATIONS ON EDUCATION AND LITERACY WERE SENT TO PARENTS, TEACHERS, 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. OVER 9,500,000 FLIERS PROMOTING THE EDUCATIONAL SERVICES OF APPLIED SCHOLASTICS AND ITS SCHOOLS, LEARNING CENTERS AND TUTORS, WERE DISTRIBUTED TO THE GENERAL PUBLIC.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE C		154,495.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 8

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
EDUCATIONAL	ASSN FOR BETTER LIVING & EDUC. INTL	7065 HOLLYWOOD BLVD., LOS ANGELES, CA 90028	LICENSOR	3,656.
EDUCATIONAL	WORLD LITERACY CRUSADE	COMPTON, CALIFORNIA	LICENSEE	3,004.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				6,660.

FORM 990 OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	AMOUNT
ARTWORK	COST	9,877.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		9,877.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	5,106.	4,011.	1,095.
FURNITURE AND EQUIPMENT	211.	120.	91.
COMPUTER AND OFFICE EQUIPMENT	953.	953.	0.
COMPUTER AND OFFICE EQUIPMENT	5,130.	5,130.	0.
COMPUTER AND OFFICE EQUIPMENT	3,151.	3,151.	0.
COMPUTER AND OFFICE EQUIPMENT	12,435.	11,191.	1,244.
OFFICE FURNITURE	12,143.	6,072.	6,071.
COMPUTER	28,958.	20,272.	8,686.
FURNITURE	2,017.	624.	1,393.
FURNITURE	1,283.	458.	825.
FURNITURE	2,155.	744.	1,411.
OFFICE EQUIPMENT	1,210.	461.	749.
OFFICE EQUIPMENT	2,380.	878.	1,502.
OFFICE EQUIPMENT	1,252.	447.	805.
COMPUTER	3,941.	2,299.	1,642.
COMPUTER	2,338.	1,131.	1,207.
COMPUTER	2,312.	1,078.	1,234.
FURNITURE & EQUIPMENT	2,835.	608.	2,227.
FURNITURE & EQUIPMENT	4,113.	882.	3,231.
COMPUTER EQUIPMENT	13,061.	3,918.	9,143.
COMPUTER EQUIPMENT	5,837.	584.	5,253.
FURNITURE & EQUIPMENT	2,343.	167.	2,176.
COMPUTER EQUIPMENT	1,800.	180.	1,620.
TOTAL TO FORM 990, PART IV, LN 57	116,964.	65,359.	51,605.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 11
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL	X	
NARCONON INTERNATIONAL	X	
THE WAY TO HAPPINESS INTERNATIONAL	X	

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 12
PART III, LINE 4

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

SCHEDULE A OTHER INCOME STATEMENT 13

DESCRIPTION	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT	1995 AMOUNT
PAYROLL TAXES REFUND	0.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	0.	0.	0.	0.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization

(Including Information on Listed Property) 990

▶ See separate instructions. ▶ Attach this form to your return.

OMB No. 1545-0172

1999

Attachment Sequence No. 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
APPLIED SCHOLASTICS INTERNATIONAL	FORM 990 PAGE 2	23-7250829

Part I Election To Expense Certain Tangible Property (Section 179) (**Note:** If you have any "listed property," complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	19,000.
2	Total cost of section 179 property placed in service. See instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	*Tentative deduction. Enter the smaller of line 5 or line 8*	9	
10	Carryover of disallowed deduction from 1998	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.*

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions ▶ ☐

Section B - General Depreciation System (GDS) (See instructions.)

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

Section C - Alternative Depreciation System (ADS) (See instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property.) (See instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1999	17	
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	18,814.

Part IV Summary (See instructions.)

20	Listed property. Enter amount from line 26	20	
21	**Total.** Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	18,814.
22	*For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs*	22	

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 23b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
	: :	%						
	: :	%						
	: :	%						
25 Property used 50% or less in a qualified business use:								
	: :	%				S/L -		
	: :	%				S/L -		
	: :	%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1						26		
27 Add amounts in column (i). Enter the total here and on line 7, page 1							27	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? *See instructions for vehicles used by corporate officers, directors, or 1% or more owners*		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year:					
	: :				
	: :				
41 Amortization of costs that began before 1999				41	
42 **Total.** Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	

916252
10-18-99

Form **2758** (Rev. June 1998) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns

OMB No. 1545-0148

▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions.

Name: APPLIED SCHOLASTICS INCORPORATED

Employer identification number: 23-7250829

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address): 7060 HOLLYWOOD BLVD., #200

City, town or post office, state, and ZIP code. For a foreign address, see instructions.: LOS ANGELES, CA 90028

Note: *Corporate income tax return filers must use **Form 7004** to request an extension of time to file. Partnerships, REMICs, and trusts must use **Form 8736** to request an extension of time to file Form 1065, 1066, or 1041.*

1 I request an extension of time until NOVEMBER 15 , 2000 , to file (check only one):

☐ Form 706-GS(D)	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 1120-ND (sec. 4951 taxes)	☐ Form 8612
☐ Form 706-GS(T)	☐ Form 990-T (trust other than above)	☐ Form 3520-A	☐ Form 8613
☒ Form 990 or 990-EZ	☐ Form 1041 (estate) (see instructions)	☐ Form 4720	☐ Form 8725
☐ Form 990-BL	☐ Form 1041-A	☐ Form 5227	☐ Form 8804
☐ Form 990-PF	☐ Form 1042	☐ Form 6069	☐ Form 8831

If the organization does not have an office or place of business in the United States, check this box ▶ ☐

2a For calendar year 99 , or other tax year beginning ________ , ____ and ending ________ , ____ .

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

3 Has an extension of time to file been previously granted for this tax year? ☒ Yes ☐ No

4 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO OBTAIN THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE TAX RETURN.

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. $ ______

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit $ ______

c **Balance due.** Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions $ ______

Signature and Verification

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

Signature ▶ Barbara C. Kogan Title ▶ CPA Date ▶ 8/14/00

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant — To Be Completed by the IRS

☑ We HAVE approved your application. Please attach this form to your return.

☐ We HAVE NOT approved your application. However, we have granted a 10-day grade period from the later of the date shown below or the due date of your return (including any prior extensions). This grade period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.

☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.

☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.

☐ Other: ______

EXTENSION APPROVED
RECEIVED AUG 16 2000 OGDEN, UT
AUG 23 2000
RICHARD SPEAKER, DIRECTOR
OGDEN SUBMISSION PROCESSING

______ Director By: ______ Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name: APPLIED SCHOLASTICS INCORPORATED C/O NSBN & CO LLP

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address): 9454 WILSHIRE BLVD., 4TH FLOOR

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.: BEVERLY HILLS, CA 90212

Form 2758 (Rev. June 1998)

Department of the Treasury Internal Revenue Service

Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns

OMB No. 1545-0148

► File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions on back.

Name Applied Scholastics Incorporated

Employer identification number 23-7250829

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

7060 Hollywood Blvd., No. 200

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Los Angeles, CA 90028

Note: *Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066 or 1041.*

1 I request an extension of time until Aug. 15, 2000 to file (check only one):

☐ Form 706-GS(D)	☐ Form 990-T (sec. 401(a) or 408(a) trust)	☐ Form 1120-ND (sec. 4951 taxes)	☐ Form 8612
☐ Form 706-GS(T)	☐ Form 990-T (trust other than above)	☐ Form 3520-A	☐ Form 8613
☒ Form 990 or 990-EZ	☐ Form 1041 (estate) (see instructions)	☐ Form 4720	☐ Form 8725
☐ Form 990-BL	☐ Form 1041-A	☐ Form 5227	☐ Form 8804
☐ Form 990-PF	☐ Form 1042	☐ Form 6069	☐ Form 8831

If the organization does not have an office or place of business in the United States, check this box. ► ☐

2a For calendar year 99, or other tax year beginning .... and ending ....

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

3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No

4 State in detail why you need the extension Additional time is needed for review of this return by accountants and legal counsel

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. $

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. $

c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions $

Signature and Verification

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

Signature ► [signature] Title ► Certified Public Accountant Date ► 15 May 00

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant—To Be Completed by the IRS

☒ We HAVE approved your application. Please attach this form to your return.

☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.

☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.

☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.

☐ Other:

EXTENSION APPROVED

Director By: Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print

Name

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

For Paperwork Reduction Act Notice, see back of form. Cat. No. 11978B Form 2758 (Rev. 6-98)

SCHEDULE A — IDENTIFICATION OF EXCESS CONTRIBUTIONS INCLUDED ON PART IV, LINE 26B — STATEMENT 14

*** NOT OPEN TO PUBLIC INSPECTION ***

CONTRIBUTOR'S NAME	TOTAL CONTRIBUTION	EXCESS CONTRIBUTION
	84,219.	77,374.
	25,000.	18,155.
	15,300.	8,455.
	10,000.	3,155.
	10,000.	3,155.
	10,000.	3,155.
	10,000.	3,155.
TOTAL EXCESS CONTRIBUTIONS TO SCHEDULE A, LINE 26B		116,604.

NOT OPEN TO
PUBLIC INSPECTION