

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

1999

This Form Is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 1999 calendar year, OR tax year period beginning 1999, and ending
B Check if: Change of address, Initial return, Final return, Amended return
C Name of organization, number and street, city, town, state, and ZIP code
D Employer identification number
E Telephone number
F Check if exemption application is pending

G Type of organization - [X] Exempt under section 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
I If either box in H is checked "Yes," enter four-digit group exemption no. (GEM)
J Accounting method: [X] Cash [] Accrual
(c) Is this a separate return filed by an organization covered by a group ruling? [] Yes [X] No [] 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 (See Specific Instructions.)

REVENUE
SCANNED JUL 31 2000

Table with 21 rows and 4 columns: Line number, Description, Sub-column (a, b, c), and Total amount. Includes Revenue (lines 1-12) and Expenses (lines 13-17) sections.

Expenses

Net Assets

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22			
23	Specific assistance to individuals (attach sch.)	23			
24	Benefits paid to or for members (attach sch.)	24			
25	Compensation of officers, directors, etc	25	48,376.	0.	48,376.
26	Other salaries and wages	26	223,294.	223,294.	
27	Pension plan contributions	27			
28	Other employee benefits	28	395.	395.	
29	Payroll taxes	29	18,140.	18,140.	
30	Professional fundraising fees	30			
31	Accounting fees	31	600.	600.	
32	Legal fees	32			
33	Supplies	33	1,476.	1,476.	
34	Telephone	34	5,389.	5,389.	
35	Postage and shipping	35	1,852.	1,852.	
36	Occupancy	36	244,644.	244,644.	
37	Equipment rental and maintenance	37	3,348.	3,348.	
38	Printing and publications	38	1,764.	1,764.	
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42	14,332.	14,332.	
43	Other expenses (itemize): a Stmt Att	43a	184,830.	184,830.	
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	748,440.	700,064.	48,376.

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) amt. allocated to Prog. services . . \$ _____ ;
 (iii) the amount allocated to Management and general \$ _____ ; and (iv) amt. allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions.)

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
EDUCATION IN A RELIGIOUS CONTEXT.	
a APPROXIMATELY 80 CHILDREN RECEIVE YEAR ROUND 1ST GRADE THROUGH HIGH SCHOOL EDUCATION IN A RELIGIOUS CONTEX (Grants and allocations \$ _____)	700,064.
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services).	700,064.

Part IV Balance Sheets (See Specific Instructions.)

		(A)		(B)
		Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				
Assets	45 Cash -- non-interest-bearing.....	16,710.	45	57,050.
	46 Savings and temporary cash investments.....	47,069.	46	797.
	47a Accounts receivable.....	47a		
	b Less: allowance for doubtful accounts.....	47b		47c
	48a Pledges receivable.....	48a		
	b Less: allowance for doubtful accounts.....	48b		48c
	49 Grants receivable.....		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule).....		50	
	51a Other notes and loans receivable (attach schedule).....	51a		
	b Less: allowance for doubtful accounts.....	51b		51c
	52 Inventories for sale or use.....		52	
	53 Prepaid expenses and deferred charges.....		53	
	54 Investments -- securities (attach schedule).....		54	
	55a Investments -- land, buildings, and equipment: basis.....	55a		
	b Less: accumulated depreciation (attach schedule).....	55b		55c
56 Investments -- other (attach schedule).....	8,339.	56		
57a Land, buildings, and equipment: basis.....	57a 113,236.			
b Less: accumulated depreciation (attach schedule).....	57b 87,383.	36,846.	57c	
58 Other assets (describe <input type="checkbox"/> Stmt Attchd).....		58	25,853.	
			30,003.	
59 Total assets (add lines 45 through 58) (must equal line 74).....	108,964.	59	113,703.	
Liabilities	60 Accounts payable and accrued expenses.....		60	
	61 Grants payable.....		61	
	62 Deferred revenue.....		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule).....		63	
	64a Tax-exempt bond liabilities (attach schedule).....		64a	
	b Mortgages and other notes payable (attach schedule).....		64b	
	65 Other liabilities (describe <input type="checkbox"/> PAYROLL TAXES).....		65	545.
		-83.		
66 Total liabilities (add lines 60 through 65).....	-83.	66	545.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here... <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted.....		67	
	68 Temporarily restricted.....		68	
	69 Permanently restricted.....		69	
	Organizations that do not follow SFAS 117, check here... <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds.....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund.....		71	
	72 Retained earnings, endowment, accumulated income, or other funds.....	109,047.	72	113,158.
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).....	109,047.	73	113,158.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73).....	108,964.	74	113,703.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions.)	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements ▶ a N/A</p> <p>b Amounts included on line a but not on line 12, Form 990:</p> <p>(1) Net unrealized gains on investments . . \$ _____</p> <p>(2) Donated services & use of facilities . \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) through (4) . . ▶ b</p> <p>c Line a minus line b ▶ c</p> <p>d Amounts included on line 12, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 8b, Form 990 \$ _____</p> <p>(2) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e</p>	<p>a Total expenses and losses per audited financial statements ▶ a N/A</p> <p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services & use of facilities . . \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) through (4) . . ▶ b</p> <p>c Line a minus line b ▶ c</p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e</p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred comp.	(E) Expense account and other allowances
JEAN SPINNER 16736 CHIRCO, LOS GATO	DIRECTOR 40.	25,938.	0.	0.
HOWARD SPINNER 16736 CHIRCO, LOS GATO	DIRECTOR	0.	0.	0.
LAUREN WILSON 16259 CAMELIA TERRACE,	DIRECTOR 40.	22,438.	0.	0.
KATHY FESHBACK 310 W. DRUID ROAD, CLE	DIRECTOR	0.	0.	0.
MATT FESHBACK 310 W. DRUID ROAD, CLE	DIRECTOR	0.	0.	0.
MYRNA JACOBS 4330 TALOFA AVE, TOLUC	DIRECTOR	0.	0.	0.

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

Part VI Other Information (See Specific Instructions.)		Yes	No
76	Did organization engage in any activity not previously reported to IRS? If "Yes," attach detailed description of each activity		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.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? ...		X
78b	If "Yes," has it filed a tax return on Form 990-T for this year? ...	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement ...		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? ...	X	
b	If "Yes," enter the name of the organization LOS GATOS ACADEMY PRESCHOOL and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81		
81b	Did the organization file Form 1120-POL for this year? ...	N/A	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? ...		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			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications? ...	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? ...	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible? ...		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? ...	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? ...	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? ...	N/A	
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? ...	N/A	
h	If section 6033(e)(1)(A) dues notices 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	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
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.		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	N/A	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
90a	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 (See inst.)	90b	15
91	The books are in care of LAUREN WILSON Telephone no. (408) 358-1046 Located at 220 BELGATOS ROAD, LOS GATOS, CA ZIP + 4 95032		
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

Part VII Analysis of Income-Producing Activities (See Specific Instructions.)

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a TUITION					453,686.
b SCHOOLS RENT					222,366.
c DAYCARE INCOME					13,067.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from govt. agencies . . .					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	1,779.	
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/(loss) from sales of inventory .					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . .				1,779.	689,119.
105 Total (add line 104, columns (B), (D), and (E))					690,898.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	TUITION PAID BY PARENTS OF CHILDREN ATTENDING SCHOOL. PROVIDING EDUCATION IN A RELIGIOUS CONTEXT IS OUR PRIMARY EMEPTION PURPOSE
93B	SCHOOLS PROVIDE REIMBURSEMENT FOR FACILITIES RENTAL FOR SCHOOL EXEMPT PRIMARY PURPOSE.
93C	DAYCARE FEES FOR ATTENDING AFTER SCHOOL CARE PROVIDED ONLY FOR OUR STUDENTS AND ONLY TO FACILITATE THE OPERATION OF THE SCHOOL.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership int.	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

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. Important: (See General Instruction II.)

Signature of officer: *[Signature]* Date: *6/9/02* Type or print name and title: *JEAN SAINIER Director*

Paid Preparer's Use Only Preparer's signature: *[Signature]* Date: *6/9/02* Check if self-employed: Preparer's SSN or PTIN: 571-80-3249
 Firm's name (or yours if self-employed): *DAVID PULIAFICO, INC.* EIN: 77-0301943
 and address: *1630 TENNANT AVE* ZIP + 4: 95037
MORGAN HILL, CA

**SCHEDULE A
(Form 990)**

Organization Exempt Under Section 501(c)(3)

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

OMB No. 1545-0047

1999

Supplementary Information — (See separate instructions.)

Department of the Treasury
Internal Revenue Service

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

Name of the organization

LOS GATOS ACADEMY

Employer identification number

77-0192378

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl. benefit plans & deferred compensation	(e) Expense account and other allowances
--- NONE ---				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
--- NONE ---		
Total number of others receiving over \$50,000 for professional services ▶		

Part 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 total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any 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?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	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.		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a	Do you have a section 403(b) annuity plan for your employees?		
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.)		

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 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 instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 1998, (b) 1997, (c) 1996, (d) 1995, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities not included in line 18; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23.

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24; 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; c Total support for section 509(a)(1) test; d Add: Amounts from column (e) for lines 18, 19, 22, 26b; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).

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:

(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 described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(1998) _____ (1997) _____ (1996) _____ (1995) _____

c Add: Amounts from column (e) for lines 15, 16, 17, 20, 21; d Add: Line 27a total and line 27b total; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test: Enter amount on line 23, column (e); g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).

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.)

Part V Private School Questionnaire (See instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		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?	X	
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?	X	
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?	X	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
<u>DURING REGISTRATION NONDISCRIMINATORY POLICY DISCLOSED.</u>			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	X	
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?		X
b	Admissions policies?		X
c	Employment of faculty or administrative staff?		X
d	Scholarships or other financial assistance?		X
e	Educational policies?		X
f	Use of facilities?		X
g	Athletic programs?		X
h	Other extracurricular activities?		X
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34a	Does the organization receive any financial aid or assistance from a governmental agency?		X
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
.....			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768)

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
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 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	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	0 .
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0 .

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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			

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

OTHER SALE
 SALE OF SCHOOL VAN

Description	Amount
SCHOOL VAN SALE	1,950.
COST 13380 LESS ACCUM DEP13380	0.
TOTAL	1,950.

Form 990 - Exempt Organization Tax Return
 Line 43 - Other Expenses

Description	(A) Total	(B) Program Services	(C) Mgmt. & General	(D) Fund-raising
BOOK EXPENSE	1,872.	1,872.	0.	0.
OUTSIDE SERVICES	41,033.	41,033.	0.	0.
INSURANCE EXPENSE	7,359.	7,359.	0.	0.
1 TO 12 ALLOTMENT EXP.	1,908.	1,908.	0.	0.
ART&DRAMA SHOW EXPENSE	2,351.	2,351.	0.	0.
JANITORIAL EXPENSE	13,269.	13,269.	0.	0.
PROGRAMS/TRIPS EXPENSE	44,437.	44,437.	0.	0.
STAFF TRAINING	3,386.	3,386.	0.	0.
PROMOTIONAL EXPENSE	1,922.	1,922.	0.	0.
LICENSE FEES	26,592.	26,592.	0.	0.
UTILITIES	23,063.	23,063.	0.	0.
GARBAGE EXPENSE	1,620.	1,620.	0.	0.
GAS EXPENSE	1,405.	1,405.	0.	0.
WORKMAN'S COMP	5,492.	5,492.	0.	0.
VAN MAINTENANCE	2,610.	2,610.	0.	0.
PE EXPENSE	432.	432.	0.	0.
BANK CHARGES	188.	188.	0.	0.
CANTEEN EXPENSE	5,392.	5,392.	0.	0.
COMPUTER SUPPLIES	499.	499.	0.	0.
TOTAL	184,830.	184,830.	0.	0.

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

1999
Attachment
Sequence No. 67

Name(s) shown on return LOS GATOS ACADEMY	Business or activity to which this form relates	Identifying number 77-0192378
---	---	---

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 the instructions.	1	\$19,000
2 Total cost of section 179 property placed in service. See the instructions.	2	5,044.
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 the instructions	5	19,000.
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. See the instructions.		10
11 Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions).		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 the instructions

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		5,044.	5 yrs	HY	DDB	1,009.
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	
i Nonresidential real property			39 yrs.	MM	S/L	

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

16a 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 the instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1999.	17	13,323.
18 Property subject to section 168(f)(1) election.	18	
19 ACRS and other depreciation	19	

Part IV Summary (See the 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	14,332.
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	

Supplemental Schedules
Company: LOS GATOS ACADEMY

1999
EIN: 77-0192378

Form 4562 Asset Listing.

#	Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	1999 Depr
1	FILING CABINET	N	01/01/91	100%	N	345	MACRS SL	HY	7	345	0	0
2	TABLES & CHAIRS	N	01/01/91	100%	N	500	MACRS SL	HY	7	500	0	0
3	TABLES & CHAIRS	N	01/01/93	100%	N	4,913	MACRS SL	HY	7	4,179	0	702
4	PL SYSTEM	N	02/01/93	100%	N	1,537	MACRS DDB	HY	5	1,119	0	0
5	COPY EQUIPMENT	N	06/01/93	100%	N	860	MACRS SL	HY	7	681	0	123
6	CARPETING	N	07/01/93	100%	N	4,536	MACRS SL	HY	7	2,024	0	648
7	PLAY SYSTEM	N	10/01/93	100%	N	2,692	MACRS SL	HY	7	2,247	0	385
8	IBM/APPL COMPUTER	N	11/01/93	100%	N	3,057	MACRS SL	HY	5	3,028	0	29
9	MIS FURN/FIX	N	07/01/94	100%	N	4,034	MACRS SL	HY	5	3,245	0	789
10	PHONE SYSTEM	N	09/01/94	100%	N	2,038	MACRS SL	HY	5	1,722	0	316
11	REFRIGERATOR	N	07/07/95	100%	N	694	MACRS DDB	HY	5	477	0	145
12	SAFE	N	09/13/95	100%	N	338	MACRS DDB	HY	7	232	0	30
13	PHONE SYSTEM	N	09/18/95	100%	N	738	MACRS DDB	HY	5	500	0	159
14	MIRRORS	N	09/22/95	100%	N	1,150	MACRS DDB	HY	7	791	0	103
15	CARPET	N	10/16/95	100%	N	4,635	MACRS DDB	HY	7	1,724	0	832
16	CHAIRS & TABLES	N	12/31/95	100%	N	10,175	MACRS DDB	HY	7	4,581	0	1,598
17	FAX	N	01/03/96	100%	N	939	MACRS DDB	HY	5	544	0	158
18	TABLES & SHELVES	N	06/07/96	100%	N	3,252	MACRS DDB	HY	5	1,870	0	553
19	DALLAS MIDWAY	N	08/31/96	100%	N	730	MACRS DDB	HY	7	411	0	91
20	EQUIPMENT	N	10/10/96	100%	N	1,640	MACRS DDB	HY	7	923	0	205
21	HRS	N	11/05/96	100%	N	1,135	MACRS DDB	HY	7	923	0	61
22	COMPUTER	N	12/04/96	100%	N	215	MACRS DDB	HY	5	153	0	25
23	LIBRARY FURNITURE	N	01/06/97	100%	N	2,849	MACRS DDB	HY	7	1,105	0	498
24	TREE HOUSE	N	03/07/97	100%	N	400	MACRS DDB	HY	7	155	0	70
25	GIMIX EQUIP	N	03/13/97	100%	N	1,757	MACRS DDB	HY	7	681	0	307
26	GIMEX EQUIP	N	06/11/97	100%	N	2,287	MACRS DDB	HY	7	887	0	400
27	COPIER	N	07/15/97	100%	N	549	MACRS DDB	HY	5	286	0	105
28	COMPUTER SYSTEM	N	06/22/98	100%	N	7,157	MACRS DDB	HY	5	1,431	0	2,290
29	COPIER	N	11/17/98	100%	N	7,971	MACRS DDB	HY	5	1,594	0	2,551
30	COMPUTER UPGRADE	N	12/19/97	100%	N	784	MACRS DDB	HY	5	408	0	150
31	EQUIPMENT FIXTURE	N	06/01/88	100%	N	9,670	MACRS SL	HY	7	9,670	0	0
32	FIXTURES	N	05/01/89	100%	N	513	MACRS SL	HY	7	513	0	0
33	CHAIRS	N	11/01/89	100%	N	390	MACRS SL	HY	7	390	0	0
34	COMPUTER	N	06/01/90	100%	N	1,363	MACRS SL	HY	5	1,363	0	0
35	2TV'S & VCRS	N	01/01/90	100%	N	820	MACRS SL	HY	5	820	0	0
36	OTHER EQUIPMENT	N	01/01/90	100%	N	1,372	MACRS SL	HY	5	1,372	0	0
37	SCHOOL VAN	N	01/01/91	100%	N	19,655	MACRS SL	HY	7	19,655	0	0
38	CAR PHONE	N	01/01/91	100%	N	502	MACRS SL	HY	5	502	0	0
39	COMPUTER MAC G3	N	06/14/99	100%	N	2,556	MACRS DDB	HY	5	0	0	511
40	COMPUTER MAC & PRINTER	N	07/07/99	100%	N	2,488	MACRS DDB	HY	5	0	0	498
Prior Year Totals										73,051	0	
Current Year Totals						113,236					0	14,332

Form 990 - Part IV - Balance Sheets
Line 58 - Other Assets

Description	Amount
-----	-----
DEPOSIT	20,000.
OTHER ASSESTS	10,003.

TOTAL	30,003.
	=====

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

OMB No. 1545-0148

Department of the Treasury
Internal Revenue Service

▶ **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 page 2.	Name LOS GATOS ACADEMY	Employer ID number 77-0192378
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) 220 BELGATOS ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LOS GATOS, CA 95032	

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 8/15 2000, to file (check only one):

<input type="checkbox"/> Form 706-GS(D)	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 1120-ND (sec. 4951 taxes)	<input type="checkbox"/> Form 8812
<input type="checkbox"/> Form 706-GS(T)	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 3520-A	<input type="checkbox"/> Form 8613
<input checked="" type="checkbox"/> Form 990 or 990-EZ	<input type="checkbox"/> Form 1041 (estate) (see instructions)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8725
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8804
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1042	<input type="checkbox"/> Form 6069	<input type="checkbox"/> 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 GATHER TAX DOCUMENTATION AND COMPLETE 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 \$ 0.

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 \$ 0.

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 Accountant Date 8/15/00

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: _____

By: _____ Date _____
Director

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

Please Type or Print	Name DAVID PULIAFICO, INC.
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) 1630 TENNANT AVE
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MORGAN HILL, CA 95037