

Return of Organization Exempt From Income Tax

2000

Department of the Treasury Internal Revenue Service

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

Open to Public Inspection

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

A For the 2000 calendar year, OR tax year period beginning and ending

B Check if applicable. C Name of organization APPLIED SCHOLASTICS INTERNATIONAL D Employer identification number 23-7250829 E Telephone number (714) 708-6777

G Organization type (check only one) 501(c)(3) H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

J Accounting method: Cash Accrual Other (specify)

K Check here if the organization's gross receipts are normally not more than \$25,000. L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ)

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

SCANNED DEC 08 2001 Revenue

Table with 21 rows and 4 columns: Description, Sub-column, Amount, Total. Includes Revenue (lines 1-11), Expenses (lines 13-17), and Net Assets (lines 18-21).

521 RECORDED NOV 20 2001

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 \$ 84,146. noncash \$ 12,529.	96,675.	96,675.	STATEMENT 6	STATEMENT 7
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	114,932.	88,708.	16,514.	9,710.
26	Other salaries and wages	431,689.	288,831.	135,840.	7,018.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	51,394.	33,197.	13,235.	4,962.
30	Professional fundraising fees				
31	Accounting fees	4,400.		4,400.	
32	Legal fees	50,799.	36,608.	9,710.	4,481.
33	Supplies	17,727.	10,135.	6,499.	1,093.
34	Telephone	36,202.	24,142.	8,972.	3,088.
35	Postage and shipping	26,110.	18,392.	5,550.	2,168.
36	Occupancy	175,857.	113,788.	44,730.	17,339.
37	Equipment rental and maintenance	8,422.	5,346.	2,161.	915.
38	Printing and publications	24,264.	18,413.	4,341.	1,510.
39	Travel	50,535.	38,817.	8,390.	3,328.
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	17,677.	11,375.	4,574.	1,728.
43	Other expenses (itemize):				
a					
b					
c					
d					
e	SEE STATEMENT 5	295,088.	242,726.	32,132.	20,230.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	1,401,771.	1,027,153.	297,048.	77,570.

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?	Program Service Expenses
TO IMPROVE AND REVITALIZE THE FIELD OF EDUCATION <small>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.)</small>	<small>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</small>
a ASSISTANCE TO EDUCATIONAL AND LITERACY PROGRAMS SEE STATEMENT 16. (Grants and allocations \$ 67,586.)	485,105.
b LITERACY AND TEACHER TRAINING PROGRAMS: SEE STATEMENT 17. (Grants and allocations \$ 29,089.)	344,228.
c PUBLIC INFORMATION ON EDUCATIONAL PROGRAMS: SEE STATEMENT 18. (Grants and allocations \$)	197,820.
d	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,027,153.

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	211,166.	45	159,799.
	46 Savings and temporary cash investments	22,199.	46	9,515.
	47 a Accounts receivable	47a 237,742.		
	b Less: allowance for doubtful accounts	47b 20,900.	191,079.	47c 216,842.
	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 143,809.		
	b Less: allowance for doubtful accounts	51b	136,812.	51c 143,809.
	52 Inventories for sale or use		101,837.	52 181,939.
	53 Prepaid expenses and deferred charges			53 303.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b		55c
56 Investments - other	SEE STATEMENT 8	9,877.	56	9,877.
57 a Land, buildings, and equipment basis	57a 103,674.			
b Less: accumulated depreciation	STMT 9 57b 66,619.	51,606.	57c 37,055.	
58 Other assets (describe <input type="checkbox"/> DEPOSITS - VARIOUS)		118,007.	58 113,979.	
59 Total assets (add lines 45 through 58) (must equal line 74)		842,583.	59 873,118.	
Liabilities	60 Accounts payable and accrued expenses	26,988.	60	46,915.
	61 Grants payable		61	
	62 Deferred revenue		62	97,403.
	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 <input type="checkbox"/> SEE STATEMENT 10)		72,557.	65 119,107.
66 Total liabilities (add lines 60 through 65)		99,545.	66 263,425.	
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	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	743,038.	72	609,693.
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)	743,038.	73	609,693.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	842,583.	74	873,118.	

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:	b	
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 12, Form 990 but not on line a:	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	

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

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:	b	
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 17, Form 990 but not on line a:	d	
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
JOANNE TAKANO-IRWIN (SEE STMT 1) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	TRUSTEE/DIRECTOR/EXEC DIR AS NEEDED	28,500.	0.	0.
IAN LYONS (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	PRESIDENT AS NEEDED	27,437.	0.	0.
BILLY CHALMERS (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	SECRETARY AS NEEDED	33,023.	0.	0.
RUTH LYONS (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CA 90028	TREASURER AS NEEDED	25,972.	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 Form 990 (2000)

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Part V Other Information		N/A	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?	78b	N/A	
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 _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> 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?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
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?	85h	N/A	
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 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		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 on line 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed <u>CALIFORNIA</u>			
b	Number of employees employed in the pay period that includes March 12, 2000	90b		35
91	The books are in care of <u>RUTH LYONS</u> Telephone no. <u>(714) 708-6777</u> Located at <u>3501 S. HARBOR BLVD, SANTA ANA, CA</u> ZIP code <u>92704</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A	

Part VII Analysis of Income-Producing Activities

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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a TRADEMARK LICENSE FEES					1,223,952.
b EDUCATIONAL SERVICES					83,907.
c CONSULTING FEES					1,592.
d ROYALTIES INCOME			15	28,039.	
e LECTURES & SEMINARS					23,778.
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	7,087.	
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					<1,430.>
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					123,556.
103 Other revenue:					
a PAYROLL TAX REFUND					913.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		35,126.	1,456,268.
105 Total (add line 104, columns (B), (D), and (E))					1,491,394.

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).
▼	SEE STATEMENT 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction W.)

Please Sign Here: *X.P. Lyons* Signature of officer *X 15 Nov 2001* Date *RUTH LYONS Treasurer* Type or print name and title

Paid Preparer's signature: *[Signature]* Date: *11/15/01* Check if self-employed: Preparer's SSN or PTIN: _____

Preparer's Use Only: Firm's name (or yours if self-employed) and address and ZIP code: **NSBN LLP**
9454 WILSHIRE BLVD., 4TH FLOOR
BEVERLY HILLS, CA 90212-2907 EIN: **95-2399533** Phone no.: **(310) 273-2501**

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

2000

Department of the Treasury
Internal Revenue Service

Supplementary Information

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

Name of the organization **APPLIED SCHOLASTICS INTERNATIONAL** Employer identification number **23 7250829**

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

(See 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	

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 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)? SEE PART V, FORM 990.	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
4 a Do you have a section 403(b) annuity plan for your employees?		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 page 2 of the instructions.) SEE STATEMENT 12		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 5.)
- 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 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	58,598.	21,195.	11,917.	39,208.	130,918.
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	1,550,663.	1,489,788.	1,388,274.	1,316,871.	5,745,596.
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	6,618.	6,183.	5,894.	5,673.	24,368.
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	1,248.		SEE STATEMENT 15		1,248.
23 Total of lines 15 through 22	1,617,127.	1,517,166.	1,406,085.	1,361,752.	5,902,130.
24 Line 23 minus line 17	66,464.	27,378.	17,811.	44,881.	156,534.
25 Enter 1% of line 23	16,171.	15,172.	14,061.	13,618.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
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 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) 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: (1999) 20,448. (1998) 11,611. (1997) 9,121. (1996) 25,465.					
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: SEE STATEMENT 14 (1999) 893,186. (1998) 811,387. (1997) 701,059. (1996) 625,148.					
c Add: Amounts from column (e) for lines: 15 130,918. 16 _____ 17 5,745,596. 20 _____ 21 _____					27c 5,876,514.
d Add: Line 27a total 66,645. and line 27b total 3,030,780.					27d 3,097,425.
e Public support (line 27c total minus line 27d total)					27e 2,779,089.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 5,902,130.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 47.0862%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .4129%

28 Unusual Grants: For an organization described in line 10, 11, or 12, that received any unusual grants during 1996 through 1999, 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 page 5 of the 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?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
.....			
.....			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities

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

N/A

- Check here If the organization belongs to an affiliated group.
 Check here If you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 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	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 9 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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.

2000 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - APPLIED SCHOLASTICS INTERNATIONAL

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction in Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	FURNITURE AND EQUIPMENT	94	SL	7.00	19	5,106.			5,106.	4,011.		729.
2	FURNITURE AND EQUIPMENT	95	SL	7.00	19	211.			211.	120.		30.
6	EQUIPMENT AND OFFICE	92	SL	5.00	19	953.			953.	953.		0.
7	COMPUTER AND OFFICE	93	SL	5.00	19	5,130.			5,130.	5,130.		0.
8	COMPUTER AND OFFICE	94	SL	5.00	19	3,151.			3,151.	3,151.		0.
9	COMPUTER AND OFFICE	95	SL	5.00	19	12,435.			12,435.	11,191.		1,244.
13	OFFICE FURNITURE	070196	SL	7.00	19	9,492.			9,492.	4,746.		1,356.
14	COMPUTER	070196	SL	5.00	19	14,110.			14,110.	9,878.		2,822.
15	FURNITURE	102897	SL	7.00	19	2,017.			2,017.	624.		288.
16	FURNITURE	070897	SL	7.00	19	1,283.			1,283.	458.		183.
17	FURNITURE	072197	SL	7.00	19	2,155.			2,155.	744.		308.
18	OFFICE EQUIPMENT	042997	SL	7.00	19	1,210.			1,210.	461.		173.
19	OFFICE EQUIPMENT	052897	SL	7.00	19	2,380.			2,380.	878.		340.
20	OFFICE EQUIPMENT	070897	SL	7.00	19	1,252.			1,252.	447.		179.
21	COMPUTER	012097	SL	5.00	19	3,941.			3,941.	2,299.		788.
22	(D)COMPUTER	072197	SL	5.00	19	2,338.			2,338.	1,131.		312.
23	COMPUTER	082497	SL	5.00	19	2,312.			2,312.	1,078.		462.
24	FURNITURE & EQUIPMENT	070198	SL	7.00	19	2,835.			2,835.	608.		405.

(D) - Asset disposed

2000 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - APPLIED SCHOLASTICS INTERNATIONAL

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bys % Excl	Reduction in Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
25	FURNITURE & EQUIPMENT	070198SL		7.00	19	1,710.			1,710.	366.		244.
26	COMPUTER EQUIPMENT	070198SL		5.00	19	6,067.			6,067.	1,820.		1,213.
27	COMPUTER EQUIPMENT	070199SL		5.00	19	5,837.			5,837.	584.		1,167.
28	FURNITURE & EQUIPMENT	070199SL		7.00	19	2,343.			2,343.	167.		335.
29	(D)COMPUTER EQUIPMENT	070199SL		5.00	19	1,800.			1,800.	180.		240.
30	COMPUTER EQUIPMENT	000000SL		5.00	19	14,162.			14,162.			1,416.
31	(D)COMPUTER EQUIPMENT	000000SL		5.00	19	1,603.			1,603.			53.
32	(D)FURNITURE & EQUIPMENT	000000SL		7.00	19	1,319.			1,319.			31.
33	(D)COMPUTER	070196SL		5.00	19	11,266.			11,266.	7,887.		1,502.
34	(D)COMPUTER EQUIPMENT	070198SL		5.00	19	4,951.			4,951.	1,485.		660.
35	(D)FURNITURE & EQUIPMENT	070196SL		7.00	19	2,651.			2,651.	1,326.		252.
36	(D)FURNITURE & EQUIPMENT	070198SL		7.00	19	2,404.			2,404.	515.		229.
37	COMPUTER	070196SL		5.00	19	3,582.			3,582.	2,507.		716.
38	(D)COMPUTER EQUIPMENT	070198SL		5.00	19	410.			410.	123.		0.
39	(D)COMPUTER EQUIPMENT	070198SL		5.00	19	1,633.			1,633.	490.		0.
	* TOTAL 990 PAGE 2 DEPR					134,049.		0.	134,049.	65,358.	0.	17,677.

(D) - Asset disposed

FOOTNOTES

STATEMENT 1

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

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

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
COMPUTER EQUIPMENT	07/01/98	01/01/00	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	410.	0.	123.	<287.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
COMPUTER EQUIPMENT	07/01/98	01/01/00	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	1,633.	0.	490.	<1,143.>
TO FM 990, PART I, LN 8		2,043.	0.	613.	<1,430.>

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

1. GROSS RECEIPTS	215,020	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		215,020
4. COST OF GOODS SOLD (LINE 13)	91,464	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		123,556

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	101,837	
7. MERCHANDISE PURCHASED	171,566	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		273,403
12. INVENTORY AT END OF YEAR	181,939	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		91,464

FORM 990 PAYMENTS TO AFFILIATES STATEMENT 4

AFFILIATE'S NAME	AFFILIATE'S ADDRESS	AMOUNT
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL	7065 HOLLYWOOD BLVD., LOS ANGELES, CA 90028	233,841.
PURPOSE OF PAYMENT		
TRADEMARK LICENSE FEES		233,841.
TOTAL TO FORM 990, PART I, LINE 16		233,841.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMISSION	3,131.	144.	0.	2,987.
BANK CHARGES	7,727.	7,632.	52.	43.
LICENSES, FEES & DUES	2,174.	1,213.	726.	235.
PROMOTION	128,014.	94,497.	23,620.	9,897.
ROYALTIES	97,920.	97,920.		0.
TRAINING MATERIALS	1,978.	1,978.	0.	0.
STAFF TRAINING	29,745.	18,442.	7,734.	3,569.
CLEANING & LAUNDRY	3,499.			3,499.
DOUBTFUL DEBT ALLOWANCE	20,900.	20,900.		
TOTAL TO FM 990, LN 43	295,088.	242,726.	32,132.	20,230.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 6

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	N/A	22,300.
EDUCATIONAL	APPLIED SCHOLASTICS WEST U.S.	12460 EUCLID ST., #200, GARDEN GROVE CA 92840	N/A	52,257.

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EDUCATION	APPLIED SCHOLASTICS EAST U.S.	CLEARWATER, FL	N/A	1,800.
EDUCATION	HOLLYWOOD EDUC & LITERACY PROJECT	HOLLYWOOD, CA	N/A	2,275.
EDUCATION	B.E.S.T.	UNITED KINGDOM	N/A	5,514.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				<u>84,146.</u>

FORM 990	NONCASH GRANTS AND ALLOCATIONS	STATEMENT	7
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CLASS OF ACTIVITY	DONEE'S NAME	DONEE'S ADDRESS
EDUCATION	APPLIED SCHOLASTICS WEST U.S.	SANTA ANA, CA

RELATIONSHIP OF DONEE	DESCRIPTION OF PROPERTY	DATE OF GIFT
N/A	FURNITURE AND COMPUTERS	VARIOUS

METHOD USED TO DETERMINE BOOK VALUE

COST

METHOD USED TO DETERMINE FAIR MARKET VALUE

NET BOOK VALUE

BOOK VALUE

AMOUNT GIVEN

0.

12,529.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22

12,529.

FORM 990	OTHER INVESTMENTS	STATEMENT	8
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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	9
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	5,106.	4,740.	366.
FURNITURE AND EQUIPMENT	211.	150.	61.
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.	12,435.	0.
OFFICE FURNITURE	9,492.	6,102.	3,390.
COMPUTER	14,110.	12,700.	1,410.
FURNITURE	2,017.	912.	1,105.

APPLIED SCHOLASTICS INTERNATIONAL

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FURNITURE	1,283.	641.	642.
FURNITURE	2,155.	1,052.	1,103.
OFFICE EQUIPMENT	1,210.	634.	576.
OFFICE EQUIPMENT	2,380.	1,218.	1,162.
OFFICE EQUIPMENT	1,252.	626.	626.
COMPUTER	3,941.	3,087.	854.
COMPUTER	2,312.	1,540.	772.
FURNITURE & EQUIPMENT	2,835.	1,013.	1,822.
FURNITURE & EQUIPMENT	1,710.	610.	1,100.
COMPUTER EQUIPMENT	6,067.	3,033.	3,034.
COMPUTER EQUIPMENT	5,837.	1,751.	4,086.
FURNITURE & EQUIPMENT	2,343.	502.	1,841.
COMPUTER EQUIPMENT	14,162.	1,416.	12,746.
COMPUTER	3,582.	3,223.	359.
TOTAL TO FORM 990, PART IV, LN 57	103,674.	66,619.	37,055.

FORM 990	OTHER LIABILITIES	STATEMENT 10
DESCRIPTION		AMOUNT
SALES TAX PAYABLE		302.
PAYROLL TAXES PAYABLE		948.
ROYALTIES PAYABLE		4,599.
LICENSING FEES PAYABLE		103,684.
SALARY PAYABLE		9,574.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		119,107.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 11

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	FEES RECEIVED FOR THE USE OF THE ORGANIZATION'S TRADEMARK AND EDUCATION TECHNOLOGY.
93B	FEES REC. FOR TRAINING STUDENTS & TEACHERS IN EDUCATION TECHNOLOGY
93C	FEES RECEIVED FOR ASSISTING LICENSEE ORGANIZATIONS
93E	FEES RECEIVED FROM ATTENDEES OF LECTURES AND SEMINARS
102	SALES OF EDUCATIONAL MATERIALS AND PUBLICATIONS TO TEACH EDUCATORS AND STUDENTS HOW TO LEARN.
103A	PAYROLL TAX REFUND RECEIVED

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. THE ORGANIZATION ENSURES THAT EACH SO QUALIFIES AT ALL TIMES.

SCHEDULE A	OTHER INCOME			STATEMENT 15
DESCRIPTION	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT
PAYROLL TAXES REFUND	1,248.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	1,248.	0.	0.	0.

**2000 FORM 990, PART III
FEDERAL ID # 23-7250829
APPLIED SCHOLASTICS INTERNATIONAL
STATEMENT # 16**

**DESCRIPTION OF PROGRAM SERVICE ONE
(PROGRAM SUPERVISION):**

DURING THE YEAR 2000, APPLIED SCHOLASTICS INTERNATIONAL PROVIDED EDUCATIONAL MATERIALS AND ASSISTANCE TO 355 SCHOOLS, EDUCATIONAL CENTERS AND TUTORS AROUND THE WORLD. USING THE EFFECTIVE EDUCATIONAL METHODS OF L. RON HUBBARD PROVIDED BY APPLIED SCHOLASTICS, THESE EDUCATIONAL CORPORATIONS AND INDIVIDUAL EDUCATORS EFFECTIVELY RAISED THE LITERACY LEVEL OF STUDENTS OF ALL AGES, ENABLING THEM TO TRULY LEARN AND APPLY WHAT THEY STUDY.

DURING THE YEAR 2000, AN AVERAGE OF MORE THAN 7,700 STUDENTS ATTENDED APPLIED SCHOLASTICS SCHOOLS AND LEARNING CENTERS EVERY WEEK AND/OR RECEIVED ONE-ON-ONE TUTORING. THE TOTAL NUMBER OF TUTORING HOURS DELIVERED TO STUDENTS DURING THE YEAR 2000 WAS OVER 483,000 AND THE TOTAL NUMBER OF COURSES COMPLETED BY STUDENTS ATTENDING APPLIED SCHOLASTICS SCHOOLS AND LEARNING CENTERS WAS MORE THAN 9,800.

	GRANTS	EXPENSES
To Form 990, Part III, line a	67,586	485,105

2000 FORM 990, PART III
FEDERAL ID # 23-7250829
APPLIED SCHOLASTICS INTERNATIONAL
STATEMENT # 17

DESCRIPTION OF PROGRAM SERVICE TWO
(PROGRAM LITERACY):

APPLIED SCHOLASTICS INTERNATIONAL REACHED THE CORNERS OF THE GLOBE IN THE YEAR 2000:

IN ZIMBABWE, AN APPLIED SCHOLASTICS INTERNATIONAL REPRESENTATIVE TRAINED A GROUP OF TEACHERS IN BASIC STUDY TECHNOLOGY. THIS GROUP THEN TRAINED OTHER TEACHERS IN THE SAME METHODS OF LEARNING, RESULTING IN A TOTAL OF 717 TRAINED TEACHERS.

IN GAMBIA, APPLIED SCHOLASTICS INTERNATIONAL WAS OFFICIALLY INVITED TO TRAIN TEACHERS IN THE APPLIED SCHOLASTICS STUDY TECHNOLOGY. FOUR SENIOR STAFF FROM THE TEACHER TRAINING COLLEGE IN GAMBIA WERE SENT TO AN APPLIED SCHOLASTICS SCHOOL, GREENFIELDS, IN SUSSEX, ENGLAND, TO TRAIN ON STUDY TECHNOLOGY COURSES.

THE FIRST STUDY TECHNOLOGY TRAINING CENTER IN GHANA WAS ESTABLISHED IN THE CITY OF ADA. THE CENTER WAS LAUNCHED WITH A CEREMONIAL GRAND OPENING ATTENDED BY EDUCATION OFFICIALS AND OVER 120 EDUCATORS. FOLLOWING THE OPENING, THE FIRST GROUP OF 12 TEACHERS WERE TRAINED IN STUDY TECHNOLOGY AND 110 STUDENTS WERE TRAINED IN THE CITY OF ACCRA. THROUGH THESE ACTIVITIES, AN INCREASED QUALITY OF EDUCATION HAS BEEN MADE AVAILABLE TO GHANAIS.

IN ORDER TO RAISE THE QUALITY OF EDUCATION AND THEREBY RESTORE CULTURAL HERITAGE AND FAMILY VALUES, APPLIED SCHOLASTICS INTERNATIONAL ESTABLISHED A CENTER IN MEXICO. IN 2000, RECOGNITIONS FOR THIS CENTER'S WORK WERE RECEIVED FROM EDUCATIONAL INSTITUTES AROUND THE COUNTRY, INCLUDING THE NATIONAL POLYTECHNIC INSTITUTE. A SEMINAR ON STUDY TECHNOLOGY WAS INITIALLY DELIVERED TO 700 OF THE INSTITUTE'S STUDENTS. FROM THE RESULTS SEEN FROM THE FIRST SEMINAR, MORE SEMINARS WERE REQUESTED AND IN TOTAL 30,000 STUDENTS FROM OVER 33 SCHOOLS RECEIVED 200 SEMINARS.

LECTURES AND SEMINARS ON STUDY TECHNOLOGY WERE ALSO DELIVERED TO PARENTS AND TEACHERS ACROSS ITALY. 41 TEACHERS, HAVING LEARNED THE BASICS OF THE BARRIERS TO STUDY FROM THESE SEMINARS, THEN DELIVERED THE STUDY TECHNOLOGY COURSE FOR CHILDREN TO 250 ELEMENTARY STUDENTS.

A PROGRAM ENTITLED "TEACHING, LEARNING AND COMMUNICATION PROCESSES" WAS DELIVERED BY APPLIED SCHOLASTICS TO 105 TEACHERS REPRESENTING 15 TAMIL SCHOOLS FROM KUALA LUMPUR, MALAYSIA. THE MINISTRY OF EDUCATION OF MALAYSIA ACKNOWLEDGED APPLIED SCHOLASTICS INTERNATIONAL FOR THE RESULTS OF THE SEMINAR AND THE STUDY TECHNOLOGY.

	GRANTS	EXPENSES
To Form 990, Part III, line b	29,089	344,228

**2000 FORM 990, PART III
FEDERAL ID # 23-7250829
APPLIED SCHOLASTICS INTERNATIONAL
STATEMENT # 18**

**DESCRIPTION OF SERVICE PROGRAM THREE
(PUBLIC AWARENESS):**

IN THE YEAR 2000, APPLIED SCHOLASTICS INTERNATIONAL WORKED TO RAISE PUBLIC AWARENESS AROUND THE WORLD ON THE SITUATION OF WORSENING ILLITERACY AND TO PROVIDE INFORMATION ON THE SOLUTIONS AVAILABLE THROUGH APPLIED SCHOLASTICS EDUCATIONAL SERVICES. NEARLY 2,500,000 NEWSLETTERS, MAGAZINES AND OTHER PUBLICATIONS WERE DISTRIBUTED TO PARENTS, TEACHERS, COMMUNITY LEADERS AND GOVERNMENT PERSONNEL REGARDING EDUCATION AND STUDY TECHNOLOGY AND HUNDREDS OF NEWSPAPER ARTICLES AND RELEASES WERE PUBLISHED.

	GRANTS	EXPENSES
To Form 990, Part III, line c		197,820

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.

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.

Table with 5 rows for Part I. Line 1: 20,000. Line 3: \$200,000.

Table with 3 columns: (a) Description of property, (b) Cost (business use only), (c) Elected cost. Rows 6-10.

Table with 13 rows for Part I continuation. Line 7: 7. Line 8: 8. Line 9: 9. Line 10: 10. Line 11: 11. Line 12: 12. Line 13: 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 2000 Tax Year (Do not include listed property.)

Section A - General Asset Account Election

14 If you are making the election under section 168(f)(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.)

Table with 7 columns: (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. Rows 15a-g, h, i.

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

Table with 5 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Rows 16a-c.

Part III Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 rows for Part III. Line 17: 17. Line 18: 18. Line 19: 17,677.

Part IV Summary (See instructions.)

Table with 3 rows for Part IV. Line 20: 20. Line 21: 17,677. Line 22: 22.

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

Part V Listed Property (Include 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								
27 Add amounts in column (i). Enter the total here and on line 7, page 1								

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	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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												
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 2000 tax year:					
41 Amortization of costs that began before 2000					41
42 Total. Add amounts in column (f). See instructions for where to report					42

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

RECEIVED
 MAIL NO. 1545-1709
 MAY 2 2001
 BY:

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Note:** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization APPLIED SCHOLASTICS INTERNATIONAL	Employer identification number 23 7250829
	Number, street, and room or suite no. If a P.O. box, see instructions. 7060 HOLLYWOOD BLVD #200	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LDS ANGELES, CA 90028	

- Check type of return to be filed** (file a separate application for each return):
- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

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

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until August 15, 2001, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 2000 or
 ▶ tax year beginning _____, 20____, and ending _____, 20____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Signature and Verification

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

Signature ▶ *[Signature]* Title ▶ CEO Date ▶ 2 May 2001

If you are filing for an **Additional** (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print. File by the extended due date for filing the return. See instructions.	Name of Exempt Organization APPLIED SCHOLASTICS INTERNATIONAL	Employer identification number 23-7250829
	Number, street, and room or suite no. If a P.O. box, see instructions. 7060 HOLLYWOOD BLVD., NO. 200	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LOS ANGELES, CA 90028-6015	

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

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

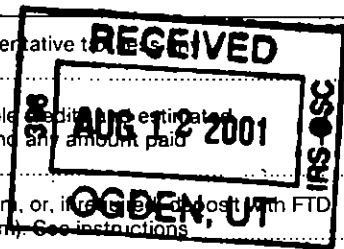
STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

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

- 4 I request an additional 3-month extension of time until NOVEMBER 15, 2001.
- 5 For calendar year 2000, or other tax year beginning _____ and ending _____.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED TO OBTAIN THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE TAX RETURN.

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



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 CPA Date 8-10-01

Notice to Applicant - To Be Completed by the IRS

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

Director _____ By _____ Date _____

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

Type or print	Name NANAS STERN BIERS NEINSTEIN AND CO. LLP
	Number and street (include suite, room, or apt. no.) Or a P.O. box number 9454 WILSHIRE BLVD., 4TH FLOOR
	City or town, province or state, and country (including postal or ZIP code) BEVERLY HILLS, CA 90212-2907

SCHEDULE A PAYMENTS FROM DISQUALIFIED PERSONS STATEMENT 13

*** NOT OPEN TO PUBLIC INSPECTION ***

PAYERS'S NAME	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT
	16,601.	8,213.	6,463.	0.
	88.	0.	0.	27.
	601.	1,280.	90.	217.
	3,158.	2,080.	2,176.	0.
	0.	38.	300.	57.
	0.	0.	27.	164.
	0.	0.	65.	0.
	0.	0.	0.	25,000.
TOTAL TO SCHEDULE A, LINE 27A	20,448.	11,611.	9,121.	25,465.

SCHEDULE A EXCESS PAYMENTS FROM NON-DISQUALIFIED PERSONS STATEMENT 14

*** NOT OPEN TO PUBLIC INSPECTION ***

PAYERS' NAME	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	1996 AMOUNT
	8,756.	10,059.	14,854.	16,554.
	25,691.	27,989.	25,158.	37,171.
	798.	0.	0.	0.
	6,240.	7,081.	10,331.	2,228.
	42,594.	12,051.	0.	23,682.
	29,315.	61,350.	23,123.	0.
	32,829.	0.	0.	0.
	462.	7,397.	9,747.	196.
	480.	3,529.	5,824.	1,783.
	23,385.	29,098.	22,107.	19,008.
	54,767.	50,192.	0.	0.
	15,802.	23,504.	21,824.	27,422.
	49,887.	52,062.	41,669.	33,345.
	63,928.	55,507.	44,962.	37,979.
	117,130.	116,542.	111,334.	99,619.
	124,986.	109,919.	121,052.	125,115.
	8,374.	13,613.	10,207.	9,259.
	34,473.	26,993.	22,855.	9,170.
	83,055.	14,069.	0.	0.
	5,015.	0.	0.	0.
	32,347.	0.	3,607.	0.
	45,096.	35,039.	21,657.	0.
	6,764.	21,233.	23,025.	13,120.
	22,795.	21,838.	2,584.	0.
	9,208.	14,279.	34,012.	25,578.
	4,691.	20,797.	3,550.	4,492.
	1,836.	3,496.	3,975.	3,529.
	32,605.	42,762.	31,424.	36,493.
	557.	221.	0.	8,089.
	9,320.	0.	0.	0.
	0.	14,078.	1,657.	618.
	0.	8,679.	43,360.	21,216.
	0.	8,010.	2,678.	15,279.
	0.	0.	19,999.	32,988.
	0.	0.	2,555.	4,233.
	0.	0.	21,929.	0.
	0.	0.	0.	14,011.
	0.	0.	0.	2,971.
TOTAL TO SCHEDULE A, LINE 27B	893,186.	811,387.	701,059.	625,148.