

Form 990

OMB No. 1545-0047

2000

Open to Public Inspection

Return of Organization Exempt From Income Tax
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

Department of the Treasury Internal Revenue Service

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

- B Check if applicable: Change of address, Change of name, Initial return, Final return, Amended return

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

C Name of organization: Carroll Rees Academy & Arts
Number and street (or P.O. box if mail is not delivered to street address): P.O. Box 27190
City or town, state or country, and ZIP code: Los Angeles CA 90027

D Employer ID number: 95-4749096
E Telephone number: 323-469-4410
F Check if application pending

G Org. type (check only one) 501(c)(3)
Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990EZ).

J Accounting method: Accrual

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: H and I are not applicable to section 527 orgs.
H(a) Is this a group return for affiliates? No
H(b) If "Yes," enter number of affiliates
H(c) Are all affiliates included? No
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes
I Enter 4-digit group exemption no. (GEN) 4171
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 (See Specific Instructions on page 16.)

Table with 21 rows and 4 columns: Description, Sub-column, Total Revenue, Total Expenses. Includes a 'RECEIVED' stamp from OGDEN, UT dated AUG 08 2001.

REVENUE
SCANNED x 488 0 1 5 2001

**Part III 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 on page 20.)

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	23			
24 Benefits paid to or for members	24			
25 Compensation of officers, directors, etc.	25	49,364	26,985	21,392
26 Other salaries and wages	26	34,275	34,275	
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29	7,413	5,411	1,927
30 Professional fundraising fees	30			
31 Accounting fees	31	816		816
32 Legal fees	32	412		412
33 Supplies	33	4,460	1,611	2,849
34 Telephone	34	1,223	367	832
35 Postage and shipping	35	1,887	189	1,661
36 Occupancy	36	17,400	15,660	1,392
37 Equipment rental and maintenance	37	328		328
38 Printing and publications	38			
39 Travel	39	139		139
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (att. sch.)	42	180	180	
43 Other expenses (itemize): a	43a			
b See Statement 1	43b	45,872	34,090	11,487
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	163,769	118,768	43,235

**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** (See Specific Instructions on page 23.)

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.)
<p>► <b>Education of children and basic education of adults.</b></p> <p>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.)</p> <p>a <b>Provided educational services to an average of approximately 35 students at any given time during the year.</b></p> <p>(Grants and allocations \$ _____)</p>	118,768
b	
c	
d	
e	
f <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	118,768

**Part IV Balance Sheets** (See Specific Instructions on page 23.)

		(A)		(B)	
		Beginning of year		End of year	
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
	45	Cash-non-interest-bearing	1,175	45	-527
	46	Savings and temporary cash investments	75	46	1
	47a	Accounts receivable	1,505		
	b	Less: allowance for doubtful accounts		47c	1,505
	48a	Pledges receivable			
	b	Less: allowance for doubtful accounts		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) <b>See Worksheet</b>	300		
	b	Less: allowance for doubtful accounts		51c	300
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	
	54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a	Investments-land, buildings, and equipment: basis			
	b	Less: accumulated depreciation (attach schedule)		55c	
	56	Investments-other (attach schedule)		56	
	57a	Land, buildings, and equipment: basis			
	b	Less: accumulated depreciation (attach schedule)		57c	
	58	Other assets (describe <b>See Stmt 2</b> )	810	58	630
	59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	2,370	59	1,909
	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 <b>See Stmt 3</b> )	1,598	65	5,288
	66	<b>Total liabilities</b> (add lines 60 through 65)	1,598	66	5,288
	<b>Organizations that follow SFAS 117, check here</b> <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	
	<b>Organizations that do not follow SFAS 117, check here</b> <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	772	72	-3,379
	73	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	772	73	-3,379
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	2,370	74	1,909

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  
DAA

**Part IV-A** Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 25.)

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

**N/A**

**a** Total revenue, gains, and other support per audited financial statements ▶

**b** Amounts included on line **a** but not on line 12, Form 990:

(1) Net unrealized gains on investments \$

(2) Donated services and use of facilities \$

(3) Recoveries of prior year grants \$

(4) Other (specify):

\$

Add amounts on lines (1) through (4) ▶

**c** Line **a** minus line **b**.

**d** Amounts included on line 12, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 \$

(2) Other (specify):

\$

Add amounts on lines (1) and (2) ▶

**e** Total revenue per line 12, Form 990 (line **c** plus line **d**) ▶

**N/A**

**a** Total expenses and losses per audited financial statements. ▶

**b** Amounts included on line **a** but not on line 17, Form 990:

(1) Donated services and use of facilities \$

(2) Prior year adjustments reported on line 20, Form 990 \$

(3) Losses reported on line 20, Form 990 \$

(4) Other (specify):

\$

Add amounts on lines (1) through (4) ▶

**c** Line **a** minus line **b**.

**d** Amounts included on line 17, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 \$

(2) Other (specify):

\$

Add amounts on lines (1) and (2) ▶

**e** Total expenses per line 17, Form 990 (line **c** plus line **d**) ▶

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 25.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contrib. to employee benefit plans & deferred compensation	(E) Expense account and other allowances
June E. Rees P.O. Box 27190, Los Angeles, CA 90027	President 60	24,446	0	0
Michael L. Rees P.O. Box 27190, Los Angeles, CA 90027	Secretary 60	24,918	0	0
Sandra Baikie PO Box 27190, LA, CA 90027-0190	Director 0	0	0	0
Sue Harfield PO Box 27190 LA, CA 90027-0190	Director/Accountant 416	416	0	0
Rita Ploock PO Box 27190, LA, CA 90027-0190	Director 0	0	0	0
Bill Baikie PO Box 27190, LA, CA 90027-0190	Director 0	0	0	0
Albert Jackson III PO Box 27190, LA, CA 90027-0190	Director 0	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 on page 26.

Part VII Other Information (See Specific Instructions on page 26.)		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
78a	Did the organization have unrelated business gross inc. 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		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		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?	80a		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input 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	81a		
b	Did the organization file Form 1120-POL for this year?	81b		X
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?	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		
83a	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	
84a	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		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
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 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?	85h	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
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
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 0			
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	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
90a	List the states with which a copy of this return is filed <input type="checkbox"/> CA			
b	Number of employees employed in the pay period that includes March 12, 2000 (See instructions)	90b		5
91	The books are in care of <input type="checkbox"/> Michael Rees Telephone no. <input type="checkbox"/> 323-469-4410 Located at <input type="checkbox"/> P.O. Box 27190 Los Angeles, CA ZIP code <input type="checkbox"/> 90027-0190			
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 <input type="checkbox"/> 92			

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 30.)

	Unrelated business income		Excluded by sec. 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
<b>a Academy Income</b>					140,929
<b>b Field Trips, Books, Misc</b>					12,289
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		0	153,218
105 Total (add line 104, columns (B), (D), and (E))					153,218

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 on page 31.)

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	Provided education to approximately 35 children and adults
93b	Field trips & books contribute to student education

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 31.)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on pg. 31.)

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

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

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction W, on page 14.)

Signature of officer: Mike Rees Date: 11 Aug 2001 Type or print name and title: Mike Rees - Treasurer

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**Paid Preparer's Use Only**

Preparer's signature: [Signature] Date: 6/26/01 Check if self-employed:  Preparer's SSN or PTIN: P00061505

Firm's name (or yours if self-employed) and address, and ZIP code: GREENBERG AND JACKSON CPAs  
2950 LOS FELIZ BOULEVARD SUITE 103  
LOS ANGELES, CA 90039 EIN: 95-3387333 Phone no: 323-666-7700

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**  
(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust  
**Supplementary Information-(See separate instructions.)**

OMB No. 1545-0047

**2000**

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

Employer identification number

**Carroll Rees Academy & Arts**

**95-4749096**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee ben. 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 page 1 of the instr. 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 ▶		

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

Schedule A (Form 990 or 990-EZ) 2000

**Part III** Statements About Activities

	Yes	No
<b>1</b> 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 <b>▶</b> _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		<b>X</b>
<b>2</b> 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:		
<b>a</b> Sale, exchange, or leasing of property?		<b>X</b>
<b>b</b> Lending of money or other extension of credit?		<b>X</b>
<b>c</b> Furnishing of goods, services, or facilities?		<b>X</b>
<b>d</b> Payment of compensation (or payment or reimbursement of exp if more than \$1,000)? <b>See Form 990, Part V</b>	<b>X</b>	
<b>e</b> Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		<b>X</b>
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc.?		<b>X</b>
<b>4a</b> Do you have a section 403(b) annuity plan for your employees?		<b>X</b>
<b>b</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 pg 2 of the instr.)		

**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.

Table with 6 columns: Calendar year (or FY beginning in), (a) 1999, (b) 1998, (c) 1997, (d) 1996, (e) Total. Rows 15-25 include: Gifts, grants, & contrib. received; Membership fees received; Gross receipts from admissions; Gross inc. from int., dividends; Net income from unrelated business; Tax revenues; Value of services from gov't; Other income; Total of lines 15-22; Line 23 minus line 17; 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 showing the name of and amount contributed by each person; 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: (1999) (1998) (1997) (1996) N/A

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. (1999) (1998) (1997) (1996) N/A

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) 27f

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 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 instr.)

Private School Questionnaire (See page 5 of the 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? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) Non-discriminatory policy is published in local newspaper.	X	
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? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	X	
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? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		X
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.		X
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 page 7 of the instructions.)

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

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

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

Table with 3 columns: Description, (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows include Total lobbying expenditures, Total exempt purpose expenditures, and Lobbying nontaxable amount.

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.)

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2000, (b) 1999, (c) 1998, (d) 1997, (e) Total. Rows include Lobbying nontaxable amount, Lobbying ceiling amount, Total lobbying expenditures, Grassroots nontaxable amount, Grassroots ceiling amount, and Grassroots lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 9 of the instr.)

N/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:

- 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)

Table with 3 columns: Yes, No, Amount. Rows correspond to items a through i.

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

Part VIII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 9 of the instructions.)

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

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

- (i) Cash
(ii) Other assets

b Other transactions:

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

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (with checked box for No)

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

**Other Notes and Loans Receivable**

Form **990**

**2000**

For calendar year 2000, or tax year beginning , and ending

Name  
**Carroll Rees Academy & Arts**

Employer Identification Number  
**95-4749096**

**Form 990, Part IV, Line 51a - Additional Information**

Name of borrower	Relationship to disqualified person
(1) <b>Employee Loans</b>	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	<b>310</b>	<b>300</b>	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
<b>Totals</b>	<b>310</b>	<b>300</b>	

# Depreciation and Amortization

OMB No. 1545-0172

Form **4562**

(Including Information on Listed Property)

**2000**

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Attachment  
Sequence No. **67**

Name(s) shown on return **Carroll Rees Academy & Arts**

Identifying number  
**95-4749096**

Business or activity to which this form relates

**Indirect Depreciation**

**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 page 2 of the instructions	1	\$20,000
2 Total cost of section 179 property placed in service. See page 2 of the instructions	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			
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 1999. See page 3 of the instructions		10	
11 Business income limitation. Enter the 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 2001. 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 2000 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 page 3 of the instructions

**Section B-General Depreciation System (GDS) (See page 3 of the instructions.)**

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

**Section C-Alternative Depreciation System (ADS) (See page 5 of 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 page 5 of the instructions.)**

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	

**Part IV Summary (See page 6 of the instructions.)**

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions from 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	
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	

For Paperwork Reduction Act Notice, see page 9 of the instructions.

Part IV 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 page 7 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the busn./invest. use claimed? 23b If "Yes," is the evidence written? 24 Property used more than 50% in a qualified business use (See page 6 of the instructions.): 25 Property used 50% or less in a qualified business use (See page 6 of the instructions.): 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.

28 Total business/investment miles driven during the year (do not include commuting miles- see page 1 of the instructions) 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. See page 8 of the instructions.

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 page 8 of the 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? See page 8 of the instructions

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

Part VI Amortization

40 Amortization of costs that begins during your 2000 tax year (See page 8 of the instructions.): 41 Amortization of costs that began before 2000 42 Total. Add amounts in column (f). See page 9 of the instructions for where to report

**Federal Statements****Statement 1 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Indirect Expense				
Advertising	7,857		7,857	
Auto Expenses	4,636	3,709	834	93
Bank Charges	1,377		1,377	
Curriculum Expenses	15,543	15,543		
Dues & subscriptions	54		54	
Fees & permits	118		118	
Food	1,565	1,565		
Internet Service	239	120	119	
Library	343	343		
License Fees	10,606	10,606		
Payroll Service	1,128		1,128	
Referral Fees	202			202
Repairs & Maintenance	769	769		
Staff Training	1,435	1,435		
Total	<u>\$ 45,872</u>	<u>\$ 34,090</u>	<u>\$ 11,487</u>	<u>\$ 295</u>



**Federal Statements****Statement 2 - Form 990, Part IV, Line 58 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Organization Expense	\$ 810	\$ 630
Total	\$ 810	\$ 630

**Statement 3 - Form 990, Part IV, Line 65 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Reimbursements Payable	\$ 1,598	\$ 5,288
Total	\$ 1,598	\$ 5,288

CARRÖLLREES Carroll Rees Academy & Arts

6/26/2001 11:13 AM

95-4749096

**Federal Statements**

FYE: 12/31/2000

**Schedule A, Part III, Question 2d - Payment of Compensation**

See Form 990, Part V

**Schedule A, Part V, Line 31 - Publication of Nondiscriminatory Policy**

Non-discriminatory policy is published in local newspaper.