

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), or 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 2000, and ending 20

B Check if applicable: Change of addr., Change of name, Initial return, Final return, Amended return. C Name of organization, number and street, city, town, state, and ZIP code. D Employer identification number. E Telephone number. F Check if application pending.

G Organization type (check only one) 501(c)(3) 527 or 4947(a)(1). Note: H and I are not applicable to sec. 527 orgs. 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? I Enter 4-digit group exemption no. (GEN) L Check this box if organization is not required to attach Schedule B.

J Accounting method: Cash Accrual Other (specify)

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions)

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes sections for Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21).

SCANNED JUL 16 2001

MCZM<M>M

EXPENSES

ASSETS

M

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 8b, 8b, 9b, 10b, or 18 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	50,511.	0.	50,511.
26	Other salaries and wages	26	286,946.	286,946.	
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	29,548.	29,548.	
30	Professional fundraising fees	30			
31	Accounting fees	31	724.		724.
32	Legal fees	32	210.		210.
33	Supplies	33	1,996.	1,996.	
34	Telephone	34	5,861.	5,861.	
35	Postage and shipping	35			
36	Occupancy	36	377,410.	377,410.	
37	Equipment rental and maintenance	37			
38	Printing and publications	38	3,557.	3,557.	
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41	1,677.	1,677.	
42	Depreciation, depletion, etc. (attach schedule)	42	13,633.	13,633.	
43	Other expenses (itemize): a See Attached	43a	194,158.	194,158.	
	b	43b			
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	966,231.	914,786.	51,445.

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) 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)

What is the organization's primary exempt purpose? **EDUCATION IN A RELIGIOUS CONTEXT.**
 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

	Program Service Expenses (Required for 501(c)(3) & (4) orgs. & 4947(a)(1) trusts; but optional for others.)
a APPROXIMATELY 80 CHILDREN RECEIVE YEAR ROUND 1ST GRADE THROUGH HIGH SCHOOL EDUCATION IN A RELIGIOUS CONTEX (Grants and allocations \$ _____)	914,786.
b (Grants and allocations \$ _____)	
c (Grants and allocations \$ _____)	
d (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	914,786.

Part IV Balance Sheets (See Specific Instructions.)

		(A) Beginning of year	(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			
A S S E T S	45 Cash -- non-interest-bearing	57,050.	45 13,579.
	46 Savings and temporary cash investments	797.	46 813.
	47a Accounts receivable	47a	
	b Less: allowance for doubtful accounts	47b	47c
	48a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50
	51a Other notes and loans receivable (attach schedule)	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments -- securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments -- land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation (attach schedule)	55b	55c
56 Investments -- other (attach schedule)		56 478,755.	
57a Land, buildings, and equipment: basis	57a 191,619.		
b Less: accumulated depreciation (attach schedule)	57b 101,016.	57c 25,853.	
58 Other assets (describe RENT DEPOSIT)		58 30,003. 49,700.	
59 Total assets (add lines 45 through 58) (must equal line 74)	113,703.	59 633,450.	
L I A B I L I T I E S	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 61,547.
	65 Other liabilities (describe PAYROLL TAXES)	545.	65 797.
66 Total liabilities (add lines 60 through 65)	545.	66 62,344.	
N E T A S S E T B A L A N C E S	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted		67
	68 Temporarily restricted		68
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds	113,158.	72 571,106.
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)	113,158.	73 571,106.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	113,703.	74 633,450.	

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

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

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

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

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

(1) Net unrealized gains on investments . . \$ _____

(2) Donated services & use of facilities . \$ _____

(3) Recoveries of prior year grants \$ _____

(4) Other (specify): _____ \$ _____

Add amounts on lines (1) through (4) . . ▶ **b**

c Line a minus line b ▶ **c**

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

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

(2) Other (specify): _____ \$ _____

Add amounts on lines (1) and (2) ▶ **d**

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

a Total expenses and losses per audited financial statements ▶ **a** N/A

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

(1) Donated services & use of facilities . . \$ _____

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

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

(4) Other (specify): _____ \$ _____

Add amounts on lines (1) through (4) . . ▶ **b**

c Line a minus line b ▶ **c**

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

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

(2) Other (specify): _____ \$ _____

Add amounts on lines (1) and (2) ▶ **d**

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

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred comp.	(E) Expense account and other allowances
JEAN SPINNER 16736 CHIRCO, LOS GATO	DIRECTOR 40.	27,780.	0.	0.
HOWARD SPINNER 16736 CHIRCO, LOS GATO	DIRECTOR	0.	0.	0.
LAUREN WILSON 16259 CAMELIA TERRACE,	DIRECTOR 40.	22,731.	0.	0.
KATHY FESHBACK 310 W. DRUID ROAD, CLE	DIRECTOR	0.	0.	0.
MATT FESHBACK 310 W. DRUID ROAD, CLE	DIRECTOR	0.	0.	0.
MYRNA JACOBS 4330 TALOFA AVE, TOLUC	DIRECTOR	0.	0.	0.

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

Part VI Other Information (See Specific Instructions.)		N/A	Yes	No
76	Did organization engage in any activity not previously reported to IRS? If "Yes," attach 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 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
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 LOS GATOS ACADEMY PRESCHOOL and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	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		X
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; section 4912; section 4955			
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			
90a	List the states with which a copy of this return is filed CALIFORNIA			
b	Number of employees employed in the pay period that includes March 12, 2000 (See inst.)	90b		
91	The books are in care of LAUREN WILSON Telephone no. (408) 358-1046 Located at 220 BELGATOS ROAD, LOS GATOS, CA ZIP code 95032			
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		

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

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue (tuition, schools rent, daycare), 94-103 Other revenue, and 104 Subtotal.

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.)

Table with 2 columns: 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.

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

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership int.; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 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. Signature of officer: [Signature] Date: 6-10-01 Type or print name and title: Lauren Wilson VP

Paid Preparer's Use Only Preparer's signature: [Signature] Date: 06/05/2001 Check if self-employed: [] Preparer's SSN or PTIN: P00217398 Firm's name (or yours if self-employed) and address, & ZIP code: DAVID PULIAFICO, INC. 1630 TENNANT AVE MORGAN HILL, CA 95037 EIN: 77-0301943 Phone no.: (408) 778-1345

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(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 — (See separate instructions.)

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

Name of the organization LOS GATOS ACADEMY	Employer identification number 77-0192378
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See the instructions. List each one. If there are none, enter "None.")

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

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

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

Part III Statements About Activities		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter total expenses paid or incurred in connection with the lobbying activities ► \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a	Do you have a section 403(b) annuity plan for your employees?		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 the instructions.)		

Part IV Reason for Non-Private Foundation Status (See 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 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 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.)					
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					
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					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a
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
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c
d Add: Amounts from column (e) for lines:	18	19			26d
	22	26b			
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
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)	(1998)	(1997)	(1996)	
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:	(1999)	(1998)	(1997)	(1996)	
c Add: Amounts from column (e) for lines:	15	16			27c
	17	20	21		
d Add: Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e
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))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
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 the instructions.)					

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.	0.
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.	0.

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

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See the instructions.)

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

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See 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 columns Yes, No and rows for categories a(i) through c.

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

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

b If "Yes," complete the following schedule.

Table with columns (a) Name of organization, (b) Type of organization, and (c) Description of relationship.

**Schedule B
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1d of Form 990 or
line 1 of Form 990-EZ (see instructions)

OMB No. 1545-0047

2000

Name of organization
LOS GATOS ACADEMY

Employer identification number
77-0192378

Organization type (check one)-- Section: 501(c)(3) ◀ (enter number) | 527 or | 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations--

Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year. (But see General rule in instructions.) ▶

Enter here the total gifts received during the year for a religious, charitable, etc., purpose ▶ \$

Note: This form is generally not open to public inspection except for section 527 organizations.

NOT OPEN TO PUBLIC INSPECTION

Name of organization LOS GATOS ACADEMY	Employer identification number 77-0192378
--	---

Part II Noncash Property

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
<u>2</u>	STOCKS _____ _____ _____	\$ <u>500,000.</u>	<u>06/30/2000</u>
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

2000

Attachment
Sequence No. **67**

Name(s) shown on return
LOS GATOS ACADEMY

Business or activity to which this form relates
Form 990T

Identifying number
77-0192378

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

1 Maximum dollar limitation. If an enterprise zone business, see the instructions.	1	\$20,000
2 Total cost of section 179 property placed in service. See the instructions.	2	78,383.
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see the instructions.	5	20,000.
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter amount from line 27	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10 Carryover of disallowed deduction from 1999. See the instructions.	10	
11 Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions).	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13 Carryover of disallowed deduction to 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 the instructions

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		2,539.	5 yrs	MQ	DDB	635.
c 7-year property		75,844.	7 yrs	MQ	S/L	2,916.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

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

16a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

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

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	10,082.
18 Property subject to section 168(f)(1) election.	18	
19 ACRS and other depreciation	19	

Part IV: Summary (See the instructions.)

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations -- see instructions.	21	13,633.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	22	

Supplemental Schedules
 Company: LOS GATOS ACADEMY

2000
 EIN: 77-0192378

Form 4562 Asset Listing.

#	Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	2000 Depr
1	FILING CABINET	N	01/01/91	100%	N	345	MACRS SL	HY	7	345	0	0
2	TABLES & CHAIRS	N	01/01/91	100%	N	500	MACRS SL	HY	7	500	0	0
3	TABLES & CHAIRS	N	01/01/93	100%	N	4,913	MACRS SL	HY	7	4,881	0	32
4	PL SYSTEM	N	02/01/93	100%	N	1,537	MACRS DDB	HY	5	1,119	0	0
5	COPY EQUIPMENT	N	06/01/93	100%	N	860	MACRS SL	HY	7	804	0	56
6	CARPETING	N	07/01/93	100%	N	4,536	MACRS SL	HY	7	2,672	0	648
7	PLAY SYSTEM	N	10/01/93	100%	N	2,692	MACRS SL	HY	7	2,632	0	60
8	IBM/APPL COMPUTER	N	11/01/93	100%	N	3,057	MACRS SL	HY	5	3,057	0	0
9	MIS FURN/FIX	N	07/01/94	100%	N	4,034	MACRS SL	HY	5	4,034	0	0
10	PHONE SYSTEM	N	09/01/94	100%	N	2,038	MACRS SL	HY	5	2,038	0	0
11	REFRIGERATOR	N	07/07/95	100%	N	694	MACRS DDB	HY	5	622	0	72
12	SAFE	N	09/13/95	100%	N	338	MACRS DDB	HY	7	262	0	30
13	PHONE SYSTEM	N	09/18/95	100%	N	738	MACRS DDB	HY	5	659	0	79
14	MIRRORS	N	09/22/95	100%	N	1,150	MACRS DDB	HY	7	894	0	102
15	CARPET	N	10/16/95	100%	N	4,635	MACRS DDB	HY	7	2,556	0	832
16	CHAIRS & TABLES	N	12/31/95	100%	N	10,175	MACRS DDB	HY	7	6,179	0	1,598
17	FAX	N	01/03/96	100%	N	939	MACRS DDB	HY	5	702	0	158
18	TABLES & SHELVES	N	06/07/96	100%	N	3,252	MACRS DDB	HY	5	2,423	0	553
19	DALLAS MIDWAY	N	08/31/96	100%	N	730	MACRS DDB	HY	7	502	0	65
20	EQUIPMENT	N	10/10/96	100%	N	1,640	MACRS DDB	HY	7	1,128	0	146
21	HRS	N	11/05/96	100%	N	1,135	MACRS DDB	HY	7	984	0	43
22	COMPUTER	N	12/04/96	100%	N	215	MACRS DDB	HY	5	178	0	25
23	LIBRARY FUNITURE	N	01/06/97	100%	N	2,849	MACRS DDB	HY	7	1,603	0	356
24	TREE HOUSE	N	03/07/97	100%	N	400	MACRS DDB	HY	7	225	0	50
25	GIMIX EQUIP	N	03/13/97	100%	N	1,757	MACRS DDB	HY	7	988	0	220
26	GIMEX EQUIP	N	06/11/97	100%	N	2,287	MACRS DDB	HY	7	1,287	0	286
27	COPIER	N	07/15/97	100%	N	549	MACRS DDB	HY	5	391	0	63
28	COMPUTER SYSTEM	N	06/22/98	100%	N	7,157	MACRS DDB	HY	5	3,721	0	1,374
29	COPIER	N	11/17/98	100%	N	7,971	MACRS DDB	HY	5	4,145	0	1,530
30	COMPUTER UPGRADE	N	12/19/97	100%	N	784	MACRS DDB	HY	5	558	0	90
31	EQUIPMENT FIXTURE	N	06/01/88	100%	N	9,670	MACRS SL	HY	7	9,670	0	0
32	FIXTURES	N	05/01/89	100%	N	513	MACRS SL	HY	7	513	0	0
33	CHAIRS	N	11/01/89	100%	N	390	MACRS SL	HY	7	390	0	0
34	COMPUTER	N	06/01/90	100%	N	1,363	MACRS SL	HY	5	1,363	0	0
35	2TV'S & VCRS	N	01/01/90	100%	N	820	MACRS SL	HY	5	820	0	0
36	OTHER EQUIPMENT	N	01/01/90	100%	N	1,372	MACRS SL	HY	5	1,372	0	0
37	SCHOOL VAN	N	01/01/91	100%	N	19,655	MACRS SL	HY	7	19,655	0	0
38	CAR PHONE	N	01/01/91	100%	N	502	MACRS SL	HY	5	502	0	0
39	COMPUTER MAC G3	N	06/14/99	100%	N	2,556	MACRS DDB	HY	5	511	0	818
40	COMPUTER MAC & PRINTER	N	07/07/99	100%	N	2,488	MACRS DDB	HY	5	498	0	796
41	CARPET	N	05/09/00	100%	N	2,539	MACRS DDB	MQ	5	0	0	635
42	GIMIX PLAY STRUCTURE	N	06/01/00	100%	N	21,867	MACRS SL	MQ	7	0	0	1,952
43	LITTLE TIKES PLAY STRUCTU	N	10/17/00	100%	N	53,977	MACRS SL	MQ	7	0	0	964
Prior Year Totals										87,383	0	
Current Year Totals											0	13,633

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

Description	(A) Total	(B) Program Services	(C) Mgmt. & General	(D) Fund-raising
BOOK EXPENSE	3,669.	3,669.	0.	0.
INSURANCE EXPENSE	5,756.	5,756.	0.	0.
1 TO 12 ALLOTMENT EXP.	1,226.	1,226.	0.	0.
ART&DRAMA SHOW EXPENSE	14,751.	14,751.	0.	0.
JANITORIAL EXPENSE	15,992.	15,992.	0.	0.
MAINTENANCE EXPENSE	6,135.	6,135.	0.	0.
POSTAGE EXPENSE	1,538.	1,538.	0.	0.
PROGRAMS/TRIPS EXPENSE	37,848.	37,848.	0.	0.
VAN EXPENSE	2,488.	2,488.	0.	0.
STAFF TRAINING & EXP.	16,601.	16,601.	0.	0.
PROMOTIONAL EXPENSE	7,693.	7,693.	0.	0.
WORKMAN'S COMP INS.	9,482.	9,482.	0.	0.
LICENSE FEES	35,509.	35,509.	0.	0.
UTILITIES	23,343.	23,343.	0.	0.
COMPUTER EXPENSE	470.	470.	0.	0.
GARBAGE EXPENSE	1,620.	1,620.	0.	0.
CANTEEN EXPENSE	7,956.	7,956.	0.	0.
GAS EXPENSE	1,831.	1,831.	0.	0.
BANK CHARGES	250.	250.	0.	0.
TOTAL	194,158.	194,158.	0.	0.

Form 990 - Part IV - Balance Sheets
 Line 56 - Investments - Other

Description	Amount
INVESTMENT	478,755.
TOTAL	478,755.

Form 990 - Part IV - Balance Sheets
Line 64b - Mortgages and Other Notes Payable

Description	Amount
BANK LOAN	61,547.
TOTAL	61,547.

Form 990 - Exempt Organization Tax Return
Part VIII - Relationship of Activities to Accomplishment of Exempt Purpose

Line No.	Explanation
93A	TUITION PAID BY PARENTS OF CHILDREN ATTENDING SCHOOL. PROVIDING EDUCATION IN A RELIGIOUS CONTEXT IS OUR PRIMARY EMEPTION PURPOSE
93B	SCHOOLS PROVIDE REIMBURSEMENT FOR FACILITIES RENTAL FOR SCHOOL EXEMPT PRIMARY PURPOSE.
93C	DAYCARE FEES FOR ATTENDING AFTER SCHOOL CARE PROVIED ONLY FOR OUR STUDENTS AND ONLY TO FACILITATE THE OPERATION OF THE SCHOOL.

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- 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	Name of Exempt Organization	Employer Identification number
	LOS GATOS ACADEMY	77-0192378
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	
	220 BELGATOS ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	LOS GATOS, CA 95032	

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 \$ 0.

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 \$ 0.

Signature and Verification

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

Signature ▶  Title ▶  Date ▶ 3/14/01

For Paperwork Reduction Act Notice, see instruction

NOT OPEN TO PUBLIC INSPECTION

Name of organization
LOS GATOS ACADEMY

Employer identification number
77-0192378

Part I Contributors

(a) No.	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
1	_____	\$ 10,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
2	_____	\$ 500,000.	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if a noncash contribution.)
3	_____	\$ 5,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
_____	_____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
_____	_____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
_____	_____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)