

Form 990

OMB No. 1545-0047

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

2000

Open to Public Inspection

Department of the Treasury
 Internal Revenue Service

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

B Check if applicable: <input type="checkbox"/> Change of address <input type="checkbox"/> Change of name <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return	Please use IRS label or print or type. See Specific Instructions.	C Name of organization EDUCATION BASICS & BEYOND, INC. THE BRIGHTEN SCHOOL	D Employer ID number 33-0868915
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2190 N. CANAL STREET	E Telephone number 714-282-1254
		City or town, state or country, and ZIP code ORANGE CA 92865	F Check <input type="checkbox"/> if application pending

G Org. type (check only one) 501(c) (3) (insert no.) 527 or 4947(a)(1)

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 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.

Note: H and I are not applicable to section 527 orgs.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates

H(c) Are all affiliates included? Yes No

(If "No," att. a list. See instr.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

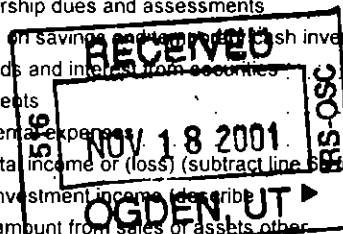
I Enter 4-digit group exemption no. (GEN)

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.)

1 Contributions, gifts, grants, and similar amounts received: a Direct public support b Indirect public support c Government contributions (grants) d Total (add lines 1a through 1c) (cash \$ <u>14,376</u> noncash \$ _____)	1a	14,376	1d	14,376		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	191,609		
	3	Membership dues and assessments	3			
	4	Interest on savings and time deposits and cash investments	4	109		
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	6b	Less: rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
	7	Other investment income (describe _____)	7			
	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	8a	
	8b	Less: cost or other basis and sales expenses	8b			
	8c	Gain or (loss) (attach schedule)	8c			
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
9	Special events and activities (attach schedule)					
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a				
b	Less: direct expenses other than fundraising expenses	9b				
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
10a	Gross sales of inventory, less returns and allowances	10a				
b	Less: cost of goods sold	10b				
c	Gross profit or (loss) from sales of inventory (att. sch.) (subtract line 10b from line 10a)	10c				
11	Other revenue (from Part VII, line 103)	11				
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	206,094			
13 Program services (from line 44, column (B)) 14 Management and general (from line 44, column (C)) 15 Fundraising (from line 44, column (D)) 16 Payments to affiliates (attach schedule) 17 Total expenses (add lines 16 and 44, column (A))	13	126,955	13	126,955		
	14	49,877	14	49,877		
	15	12,288	15	12,288		
	16		16			
	17	189,120	17	189,120		
A	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	16,974			
B	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	-805			
C	20 Other changes in net assets or fund balances (attach explanation)	20				
D	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	16,169			

NOV 28 '01 SCANNED



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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	49,005	21,577	22,298
26 Other salaries and wages	26	12,131	11,295	836
27 Pension plan contributions	27			
28 Other employee benefits	28	607	607	
29 Payroll taxes	29	5,786	3,124	2,199
30 Professional fundraising fees	30			463
31 Accounting fees	31			
32 Legal fees	32	3,947	3,947	
33 Supplies	33			
34 Telephone	34			
35 Postage and shipping	35	2,327	1,163	931
36 Occupancy	36	34,796	30,272	3,480
37 Equipment rental and maintenance	37			1,044
38 Printing and publications	38			
39 Travel	39	80	80	
40 Conferences, conventions, and meetings	40			
41 Interest	41	765	765	
42 Depreciation, depletion, etc. (att sch)	42	1,215	1,215	
43 Other expenses (itemize): a	43a			
b See Statement 1	43b	78,461	59,524	13,519
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	189,120	126,955	49,877

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>► EDUCATION OF CHILDREN</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>	
a EDUCATED APPROXIMATELY 36 CHILDREN IN GRADES K-9	
(Grants and allocations \$ _____)	126,955
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)	126,955

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

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
45	Cash-non-interest-bearing	15,106	45	25,991
46	Savings and temporary cash investments		46	
47a	Accounts receivable		47a	
b	Less: allowance for doubtful accounts		47c	
48a	Pledges receivable		48a	
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)		51a	
b	Less: allowance for doubtful accounts		51c	
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		55a	
b	Less: accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment: basis	7,376	57a	
b	Less: accumulated depreciation (attach schedule)	1,335	57c	
58	Other assets (describe See Stmt 2)	3,252	58	6,041
		1,425		1,125
59	Total assets (add lines 45 through 58) (must equal line 74)	19,783	59	33,157
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 See Stmt 3)	20,588	65	16,988
66	Total liabilities (add lines 60 through 65)	20,588	66	16,988
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			67	
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	
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	-805	72	16,169
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)	-805	73	16,169
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	19,783	74	33,157

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, 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
CATHY VINEY 1102 N. GRANADA DR. ORANGE, CA 9286	PRESIDENT 40	26,609	0	0
PATRICIA ADEFF 19 STRAW FLOWER IRVINE CA 92620	V-PRESIDENT 40	8,993	0	0
SUSAN R. DONZE 1548 E. SANTA ANA CANYON ROAD ORANGE	SECRETARY 40	8,993	0	0
ROBIN ROSS 322 MONTESSORI AVE. PLACENTIA, CA	CFO 40	4,411	0	0
HUGO CANTON 53 LAKEPINES IRVINE, CA 92620	DIRECTOR 0	0	0	0
JOANNE VOITENKO 141 PRINCESSA SAN CLEMENTE CA 92672	DIRECTOR 0	0	0	0
FRED VOITENKO 141 PRINCESSA SAN CLEMENTE CA 92672	DIRECTOR 0	0	0	0
BEVERLY CANTON 53 LAKEPINES IRVINE, CA 92620	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 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		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		
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		
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		
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		
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 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>			
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 <u>CA</u>			
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 <u>ROBIN ROSS</u> Telephone no <u>714-282-1254</u> Located at <u>2190 N. CANAL STREET, ORANGE, CA</u> ZIP code <u>92865</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92		

Part VII Analysis of Income-Producing Activities (See Specific Instructions 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:					
a TUITION					190,338
b SCHOOL LUNCHES					3
c BOOK SALES					666
d STUDENT STORE SALES					602
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	109	
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		109	191,609
105 Total (add line 104, columns (B), (D), and (E))					191,718

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	TUITION RECEIVED FROM PARENTS FOR CHILDRENS' EDUCATION
93b	PAYMENTS FROM STUDENTS FOR STUDENT LUNCHES
93c	PAYMENTS FROM STUDENTS FOR SCHOOL BOOKS FOR EDUCATION
93d	PAYMENTS FROM STUDENTS FOR SCHOOL SUPPLIES

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 V, on page 14.)

Signature of officer: *Cathy Viney* Date: 1/4/2001 Type or print name and title: Cathy Viney, President

Paid Preparer's Use Only

Preparer's signature: *Peggy Howard* Date: 10/26/01 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 EDUCATION BASICS & BEYOND, INC. THE BRIGHTEN SCHOOL	Employer identification number 33-0868915
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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
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of exp. if more than \$1,000)? See Part V, Form 990 See Stmt 4	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 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.

Calendar year (or FY beginning in)	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, & contrib. received. (Do not incl. 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 busn unrelated to the organization's charitable, etc., purpose					
18 Gross inc. from int., dividends, amounts received from pymt on securities loans (section 512(a)(5)), rents, royalties, & unrelated busn taxable inc. (less sec. 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 ben & either paid to it or expended on its behalf					
21 The value of services or facil furnished to the org by a governmental unit without charge. Do not incl the value of serv. or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of cap 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	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 year from, each "disqualified person." Enter the sum of such amounts for each year: **N/A**

(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: **N/A**

(1999) (1998) (1997) (1996)

c Add: Amounts from column (e) for lines:

	15	16	17	20	21		

d Add: Line 27a total and line 27b total ▶ **27c**

e Public support (line 27c total minus line 27d total) ▶ **27d**

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27e**

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ **27f** %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ **27g** %

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.)

Part IV

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.) See Statement		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		(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	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(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 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:	Yes	No	Amount
	a Volunteers		
b Paid staff or management (include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			

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

Part VII 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. First row 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

b If "Yes," complete the following schedule

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

Form **4562**

Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

2000

Attachment Sequence No. **67**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return **EDUCATION BASICS & BEYOND, INC.
THE BRIGHTEN SCHOOL**

Identifying number
33-0868915

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	
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 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 III 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			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	929
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	286

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	1,215
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.

Form **4562** (2000)

Part V. Listed Property- (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

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

Section A-Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the busn./invest. use claimed?		Yes	No	23b If "Yes," is the evidence written?		Yes	No	
(a) Type of prop. (list vehicles first)	(b) Date placed in service	(c) Busn./invest use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 6 of the instructions):								
		%						
		%						
25 Property used 50% or less in a qualified business use (See page 6 of the instructions):								
		%				S/L-		
		%				S/L-		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (do not include commuting miles-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.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See 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

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
40 Amortization of costs that begins during your 2000 tax year (See page 8 of the instructions):						
41 Amortization of costs that began before 2000					41	300
42 Total. Add amounts in column (f). See page 9 of the instructions for where to report					42	300

33-0868915

Federal Statements

FYE: 12/31/2000

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

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
	\$	\$	\$	\$
Indirect Expense				
BANK CHARGES	-1		-1	
MISCELLANEOUS				
CLEANING & MAINTENANCE	2,320	2,018	232	70
MEALS				
FIELD TRIPS	7,255	7,255		
FUND RAISING	4,369			4,369
GIFTS				
LICENSE FEE	15,200	15,200		
BOOKS	401	401		
MATERIALS	15,093	15,093		
PAYROLL SERVICE				
PROMOTION	14,292	14,292		
STORAGE	1,958		979	979
TELEPHONE	1,758	879	879	
INSURANCE	4,473		4,473	
OFFICE SUPPLIES	2,886		2,886	
REPAIR & MAINTENANCE	6,053	3,026	3,027	
SALES TAX	14		14	
LOCAL TAX	205		205	
TEMP SERVICES	525		525	
TRAINING	1,360	1,360		
AMORTIZATION	300		300	
Total	\$ 78,461	\$ 59,524	\$ 13,519	\$ 5,418

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 COSTS NET OF AMORT.	\$ 1,425	\$ 1,125
Total	<u>\$ 1,425</u>	<u>\$ 1,125</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
LOANS	\$ 20,588	\$ 16,988
Total	<u>\$ 20,588</u>	<u>\$ 16,988</u>

Statement 4 - Schedule A, Part III, Question 2d - Payment of Compensation

SALARIES PAID TO OFFICERS AS REPORTED ON 990

Statement 5 - Schedule A, Part V, Line 31 - Publication of Nondiscriminatory Policy

NEWSPAPER NOTICE PUBLISHED 11/18/99 DESCRIBING NON-DISCRIMINATORY POLICY. ORGANIZATION DID NOT PUBLISH NOTICE IN 2000, THINKING THAT ORGANIZATION ATTORNEY WOULD DO SO, AS HE DID THE PRIOR YEAR. THIS HAS NOW BEEN CORRECTED AND NOTICES WILL BE PUBLISHED BY THE ORGANIZATION AS REQUIRED IN THE FUTURE. SEE LETTER FROM ATTORNEY ATTACHED.

TELEPHONE
(818) 500-0418
FAX NUMBER
(818) 500-0129

R. ROSSER COLE
A LAW CORPORATION
200 NORTH MARYLAND AVENUE, SUITE 302
GLENDALE, CALIFORNIA 91206
E-MAIL: rosser@earthlink.net

ANN P. CHRISTENSEN
PARALEGAL

October 25, 2001

Ms. Kathy Viney
Education Basics & Beyond
2190 N. Canal Street
Orange, CA 92865

RE: EDUCATION BASICS AND BEYOND

Dear Kathy:

I received a telephone call from your accountant, Peggy Howard, today. It appears there has been a misunderstanding.

As we have previously discussed, each year, the school is required to publish a notice of nondiscrimination in a newspaper of general circulation. It is my understanding from Ms. Howard that you thought our office would be responsible for ordering this publication each year. Although we assist our clients during their initial year, we do not perform this duty on an annual basis.

If you have not published the yearly notice, please do so immediately. In addition, please include this notice on your annual calendar to insure that it completed each year. Once the publication is printed, be sure to keep 2 originals in your files in the event there are any questions.

If you have any questions, please do not hesitate to contact our office.

Sincerely,


R. Rosser Cole, Esq.

33-0868915

Federal Asset Report

FYE: 12/31/2000

Indirect Depreciation

Asset	Description	Date In Service	Cost	Bus % 179	Basis	Per Conv Meth	Prior	Current
Prior MACRS:								
2	FURNITURE & EQUIPMENT	10/01/99	3,372		3,372	7 MQ200DB	120	929
			<u>3,372</u>		<u>3,372</u>		<u>120</u>	<u>929</u>
Other Depreciation:								
3	CLASSROOM EQUIPMENT	7/01/00	723		723	7 MO S/L	0	52
4	FURNITURE	7/01/00	3,281		3,281	7 MO S/L	0	234
	Total Other Depreciation		<u>4,004</u>		<u>4,004</u>		<u>0</u>	<u>286</u>
	Total ACRS and Other Depreciation		<u>4,004</u>		<u>4,004</u>		<u>0</u>	<u>286</u>
Amortization:								
1	ORGANIZATION COSTS	10/01/99	1,500		1,500	5 MOAmort	75	300
			<u>1,500</u>		<u>1,500</u>		<u>75</u>	<u>300</u>
	Grand Totals		8,876		8,876		195	1,515
	Less: Dispositions		0		0		0	0
	Net Grand Totals		<u>8,876</u>		<u>8,876</u>		<u>195</u>	<u>1,515</u>