

**Return of Organization Exempt From Income Tax**

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

**2001**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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

**A For the 2001 calendar year, or tax year beginning AUG 1, 2000, 2001, and ending JULY 31, 2002**

- Check if applicable
- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use label printer type or special instruction

13316 \*\*\*\*\*AUTO\*\*5-DIGIT 55441  
 MNNESOTA APPLIED STUDY TECHNOLOGY P 20 I  
 % KELLY J OLSON WALTZ R  
 12325 HIGHWAY 55 B 48 S  
 PLYMOUTH MN 55441-4750

**D Employer identification number**  
41 : 1942018

**E Telephone number**  
(763) 543-8643

**F Accounting method:**  Cash  Accrual  
 Other (specify) ▶

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

- H and I are not applicable to section 527 organizations**
- 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," attach a list. See instructions.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No
- I** Enter 4-digit GEN ▶

**G Web site** ▶

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no)  4947(a)(1) or  527

**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.

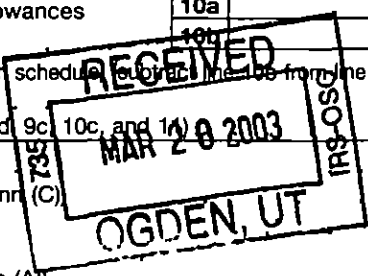
**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 148,985

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Specific Instructions on page 16)

	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	1a	33,187		
	<b>b</b> Indirect public support	1b			
	<b>c</b> Government contributions (grants)	1c			
	<b>d</b> Total (add lines 1a through 1c) (cash \$ 33,187 noncash \$ )	1d	33,187		
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2	101,521		
	<b>3</b> Membership dues and assessments	3			
	<b>4</b> Interest on savings and temporary cash investments	4	53		
	<b>5</b> Dividends and interest from securities	5			
	<b>6a</b> Gross rents	6a			
<b>b</b> Less rental expenses	6b				
<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	6c				
<b>7</b> Other investment income (describe ▶ )	7				
	<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
			8a		
			8b		
			8c		
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
	<b>9</b> Special events and activities (attach schedule) SEE STATEMENT 1	<b>a</b> Gross revenue (not including \$ of contributions reported on line 1a)	9a	14,157	
		<b>b</b> Less direct expenses other than fundraising expenses	9b	6,325	
		<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	9c	7,832	
	<b>10a</b> Gross sales of inventory, less returns and allowances	10a			
		<b>b</b> Less cost of goods sold	10b		
		<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
<b>11</b> Other revenue (from Part VII, line 103)	11	67			
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	142,660			
Expenses	<b>13</b> Program services (from line 44, column (B))	13	155,823		
	<b>14</b> Management and general (from line 44, column (C))	14	11,800		
	<b>15</b> Fundraising (from line 44, column (D))	15	3,106		
	<b>16</b> Payments to affiliates (attach schedule)	16			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	17	170,729		
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	18	(28,069)		
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19	25,499		
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	20			
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	(2,570)		

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**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 on page 21.)

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 \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc				
26	Other salaries and wages	75,237	71,437	3,800	
27	Pension plan contributions				
28	Other employee benefits	2,251	2,251		
29	Payroll taxes	6,152	5,818	335	
30	Professional fundraising fees	3,106			3,106
31	Accounting fees				
32	Legal fees				
33	Supplies	8,986	8,378	608	
34	Telephone	1,728	973	755	
35	Postage and shipping	380	76	304	
36	Occupancy	41,850	39,375	2,475	
37	Equipment rental and maintenance	396	396		
38	Printing and publications	1,003	74	929	
39	Travel	1,065	388	677	
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	2,229	1,756	473	
43	Other expenses not covered above (itemize) a				
b	.....				
c	.....				
d	.....				
e	SEE STATEMENT @	26,346	24,901	1,444	
44	<b>Total functional expenses</b> (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	170,729	155,823	11,800	3,106

**Joint Costs.** Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  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 24)

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)
a SEE STATEMENT 4 ..... (Grants and allocations \$ _____)	154,645
b SEE STATEMENT 5 ..... (Grants and allocations \$ _____)	1,178
c ..... (Grants and allocations \$ _____)	
d ..... (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	155,823

**Part IV Balance Sheets** (See Specific Instructions on page 24 )

<b>Note</b>		(A) Beginning of year		(B) End of year	
<i>Where required, attached schedules and amounts within the description column should be for end-of-year amounts only</i>					
<b>Assets</b>	45 Cash—non-interest-bearing	19,668	45	5,223	
	46 Savings and temporary cash investments		46	484	
	47a Accounts receivable		47c		
	b Less allowance for doubtful accounts				
	48a Pledges receivable		48c		
	b Less allowance for doubtful accounts				
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a Other notes and loans receivable (attach schedule)		51c		
	b Less allowance for doubtful accounts				
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges		53		
	54 Investments—securities (attach schedule) <span style="float:right">▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV</span>		54		
	55a Investments—land, buildings, and equipment basis	9,316	55c		
	b Less accumulated depreciation (attach schedule)	3,414		6,523	5,902
	56 Investments—other (attach schedule)		56		
	57a Land, buildings, and equipment basis		57c		
	b Less accumulated depreciation (attach schedule)				
58 Other assets (describe ▶ _____ )		58			
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)		26,191	59	11,609	
<b>Liabilities</b>	60 Accounts payable and accrued expenses		60		
	61 Grants payable		61		
	62 Deferred revenue <span style="float:right">TUITION DEPOSITS</span>		62	14,169	
	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 ▶ <u>PAYROLL TAX LIABILITY</u> )		692	65	10	
<b>66 Total liabilities</b> (add lines 60 through 65)		692	66	14,179	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		67		
	67 Unrestricted				
	68 Temporarily restricted			68	
	69 Permanently restricted		69		
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74		70		
	70 Capital stock, trust principal, or current funds	0			0
	71 Paid-in or capital surplus, or land, building, and equipment fund	0		71	0
	72 Retained earnings, endowment, accumulated income, or other funds	25,499		72	(2,570)
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	25,499	73	(2,570)		
<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	26,191	74	11,609		

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 26)

<b>a</b>	Total revenue, gains, and other support per audited financial statements ▶	a	N/A
<b>b</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) ▶	b	
<b>c</b>	Line a minus line b ▶	c	
<b>d</b>	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	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	

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

<b>a</b>	Total expenses and losses per audited financial statements ▶	a	N/A
<b>b</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) ▶	b	
<b>c</b>	Line a minus line b ▶	c	
<b>d</b>	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	
<b>e</b>	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 on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
CATHERINE BROWN 4704 W FAIRHILLS RD MTKA, MN	CHAIRMAN/ TEACHER 40	0	0	0
DANA MCCARTHY 13032 STANTON DR MTKA, MN	TREASURER 4-6	0	0	0
GRETCHEN SCHERER LUEBKE 1452 LAKEVIEW AVE MPLS, MN	DIRECTOR 4-6	0	0	0
KELLY OLSON WALTZ 9111 STANLEN STL PK, MN	PRESIDENT 4-6	0	0	0
LORI CREVER 2927 NW ULYSSES ST, MPLS, MN	DIRECTOR 4-6	0	0	0
WENDY LIEBERMAN 4850 VALLEY FORGE LN, MPLS, MN	VICE PRESIDENT 4-6	0	0	0
KARYN TWEETEN 2641 VERNON AVE S MPLS, MN	DIRECTOR 4-6	0	0	0
MIKE STAPLES 4300 DELLWOOD LN, MOUND, MN	DIRECTOR 4-6	0	0	0
FORREST HARSTAD 2112 N HWY 101 PLYMOUTH, MN	DIRECTOR 4-6	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 27

**Part VI Other Information** (See Specific Instructions on page 27)

		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		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	b If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
80a	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 direct or indirect political expenditures See line 81 instructions	81a	0
81b	b Did the organization file Form 1120-POL for this year?		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
82b	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 in Part III)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
84b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85a	85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A	85a	
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
85c	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	85c	N/A
85d	c Dues, assessments, and similar amounts from members	85d	N/A
85e	d Section 162(e) lobbying and political expenditures	85e	N/A
85f	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85f	N/A
85g	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85g	
85h	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85h	
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86a	86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	N/A
86b	b Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	87 501(c)(12) orgs Enter a Gross income from members or shareholders	87a	N/A
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	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	89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0, section 4912 ▶ 0, section 4955 ▶ 0		
89b	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		0
	d Enter Amount of tax on line 89c, above, reimbursed by the organization ▶ 0		0
90a	90a List the states with which a copy of this return is filed ▶ MINNESOTA		
90b	b Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	2
91	91 The books are in care of ▶ DANA MCCARTHY Telephone no ▶ (763) 543-8643 Located at ▶ 12325 HIGHWAY 55, PLYMOUTH, MN ZIP + 4 ▶ 55441		
92	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		N/A

**Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)**

Note. Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a PROGRAM FEES					89,709
b FIELD TRIPS					2,701
c MATERIALS FEES					7,879
d MISC. FEES					1,180
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					53
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			01	7,832	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue			01	67	
a REFERRAL BONUS					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				7,899	101,522
105 Total (add line 104, columns (B), (D), and (E))					109,421

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 32)**

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)
93	PROGRAM FEES, MATERIALS FEES, FIELD TRIPS & MISC. FEES CONTRIBUTE TO EXEMPT PURPOSE BY PROVIDING INSTRUCTION USING THE STUDY TECHNOLOGY METHOD TO CHILDREN ENROLLED

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)**

(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 page 33)**

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

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

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

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

Please Sign Here: *Dana McCarthy* Signature of officer Date: 3/17/03  
 Dana McCarthy Treasurer Type or print name and title

Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed) address, and ZIP + 4, EIN, Phone no.

**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

**2001**

**Supplementary Information—(See separate instructions.)**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization

MINNESOTA APPLIED STUDY TECHNOLOGY, INC.

Employer identification number

41 1942018

**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 benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

0

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of 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 ▶

0

<b>Part III</b> Statements About Activities (See page 2 of the instructions)	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, 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? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
<b>4</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>Note:</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		

<b>Part IV</b> Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)								
The organization is not a private foundation because it is (Please check only <b>ONE</b> applicable box.)								
<b>5</b> <input type="checkbox"/> A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)								
<b>6</b> <input type="checkbox"/> A school Section 170(b)(1)(A)(ii) (Also complete Part V)								
<b>7</b> <input type="checkbox"/> A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)								
<b>8</b> <input type="checkbox"/> A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)								
<b>9</b> <input type="checkbox"/> A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ _____								
<b>10</b> <input type="checkbox"/> 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 <b>Support Schedule</b> in Part IV-A)								
<b>11a</b> <input type="checkbox"/> 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 <b>Support Schedule</b> in Part IV-A)								
<b>11b</b> <input type="checkbox"/> A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A)								
<b>12</b> <input checked="" type="checkbox"/> 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 <b>Support Schedule</b> in Part IV-A)								
<b>13</b> <input type="checkbox"/> 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)								
<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 75%; text-align: center;">(a) Name(s) of supported organization(s)</th> <th style="width: 25%; text-align: center;">(b) Line number from above</th> </tr> </thead> <tbody> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </tbody> </table>	(a) Name(s) of supported organization(s)	(b) Line number from above						
(a) Name(s) of supported organization(s)	(b) Line number from above							
<b>14</b> <input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)								



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

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

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	72,793	4,138	1,626		78,557
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	62,725				62,725
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	(176)				(176)
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	135,342	4,138	1,626		141,106
24 Line 23 minus line 17	72,617	4,138	1,626		78,381
25 Enter 1% of line 23	1,353	41	16		

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		26b	N/A
c Total support for section 509(a)(1) test Enter line 24, column (e)		26c	N/A
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____		26d	N/A
e Public support (line 26c minus line 26d total)		26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year

(2000) 67,000 (1999) 0 (1998) 0 (1997) 0

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records 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) Do not file this list with your return 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

(2000) 7,825 (1999) 0 (1998) 0 (1997) 0

c Add Amounts from column (e) for lines 15 <u>78,557</u> 16 <u>0</u> 17 <u>62,725</u> 20 <u>0</u> 21 <u>0</u>	27c	141,282
d Add Line 27a total <u>67,000</u> and line 27b total <u>7,825</u>	27d	74,825
e Public support (line 27c total minus line 27d total)	27e	66,457
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)   27f   141,106	27f	141,106
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	47 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	0 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15

**Part V Private School Questionnaire (See page 7 of the instructions)**

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

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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

**Limits on Lobbying Expenditures**

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	N/A	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)		
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)		
<b>39</b>	Other exempt purpose expenditures		
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)		
<b>41</b>	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		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)		
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

**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 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>45</b> Lobbying nontaxable amount					0
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0
<b>47</b> Total lobbying expenditures					0
<b>48</b> Grassroots nontaxable amount					0
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0
<b>50</b> Grassroots lobbying expenditures					0

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of 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
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (Add lines c through h.)			0

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

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 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. N/A

	Yes	No
<b>51a(i)</b>		X
<b>a(ii)</b>		X
<b>b(i)</b>		X
<b>b(ii)</b>		X
<b>b(iii)</b>		X
<b>b(iv)</b>		X
<b>b(v)</b>		X
<b>b(vi)</b>		X
<b>c</b>		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and 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 N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

MINNESOTA APPLIED STUDY TECHNOLOGY, INC. 41-1942018

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 1

<u>DESCRIPTION OF EVENT</u>	<u>GROSS RECEIPTS</u>	<u>CONTRIBUT INCLUDED</u>	<u>GROSS REVENUE</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
GARAGE SALE	674		674	165	509
MASQUERADE BALL	7067		7067	4110	2957
COMPUTERS	5105		5105	1441	3664
CARNIVAL	<u>1312</u>		<u>1312</u>	<u>609</u>	<u>703</u>
TO FM 990, PART I, LINE 9	<u>14157</u>		<u>14157</u>	<u>6325</u>	<u>7832</u>

FORM 990 OTHER EXPENSES STATEMENT 2

<u>DESCRIPTION</u>	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MGMT &amp; GENERAL</u>	<u>FUNDRAISING</u>
ADVERTISING	678	678		
STAFF DEVELOPMENT	2,219	2,219		
BANK CHARGES	556	91	465	
INSURANCE	1,922	1,922		
LICENSE & PERMITS	11,432	11,432		
PROFESSIONAL FEES	48	24	24	
REPAIRS & MAINTENANCE	1,906	1,906		
MEALS	75		75	
DUES/SUBSCRIPTIONS	79	79		
PROGRAMS EXPENSES	<u>7,431</u>	<u>6,550</u>	<u>880</u>	
TO FORM 990, LINE 43	<u>26,346</u>	<u>24,901</u>	<u>1,444</u>	-

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3  
PART III

TO IMPROVE THE QUALITY OF EDUCATION IN MINNESOTA BY PROMOTING THE USE OF THE APPLIED STUDY TECHNOLOGY METHOD OF LEARNING

FORM 990      STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS      STATEMENT 4

DESCRIPTION OF PROGRAM SERVICE ONE

FLAGSHIP ACADEMY -- OPENED SCHOOL IN SEPTEMBER 2000 SCHOOL SERVED  
8 STUDENTS AS OF 7/31/01, 24 STUDENTS IN SCHOOL YEAR ENDED 7/31/02  
STUDENTS ARE TAUGHT HOW TO LEARN USING THE APPLIED STUDY TECHNOLOGY  
METHOD BY 4 TEACHERS TRAINED IN THIS TECHNIQUE

	<u>GRANTS</u>	<u>EXPENSES</u>
TOTAL TO FROM 990, PART III, LINE A		<u>154,645</u>

FORM 990      STATEMENT OF PROGRAM ACCOMPLISHMENTS      STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE TWO

MINNESOTA APPLIED STUDY TECHNOLOGY -- IMPROVING THE QUALITY OF EDUCATION  
IN MN BY PROMOTING THE USE OF STUDY TECHNOLOGY, A METHOD OF LEARNING  
STUDY TECHNOLOGY IS PROMOTED BY PRESENTING ITS BENEFITS TO EDUCATORS,  
SCHOOL DISTRICTS, AND OTHERS

	<u>GRANTS</u>	<u>EXPENSES</u>
TOTAL TO FROM 990, PART III, LINE B		<u>1,178</u>

FORM 990

FIXED ASSETS SCHEDULE

	<u>BEGIN</u> <u>BALANCE</u>	<u>BEGIN</u> <u>ASSETS</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>ENDING</u> <u>BALANCE</u>
<b>FURNITURE &amp; EQUIPMENT</b>					
COST	6,229	6,229	1,608	-	7,837
ACCUM DEPREC	889	889	230	-	2,645
CURRENT DEPREC		1,526	230	-	1,756
<b>COMPUTERS</b>					
COST	1,479	1,479		-	1,479
ACCUM DEPREC	296	296		-	769
CURRENT DEPREC		473		-	473
<b>GRAND TOTALS</b>					
COST	7,708	7,708	1,608	-	9,316
ACCUM DEPREC	1,185	1,185	230	-	3,414
CURRENT DEPREC	-	1,999	230	-	2,229