



**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 page 21 of the instructions.)

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	126,177	126,177		
27	Pension plan contributions				
28	Other employee benefits	10,740	10,740		
29	Payroll taxes	10,667	10,667		
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	21,765	21,735	30	
34	Telephone	1,539	973	566	
35	Postage and shipping	102	102		
36	Occupancy	37,630	34,605	3,025	
37	Equipment rental and maintenance	792	792		
38	Printing and publications	42	42		
39	Travel	80	80		
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	1,768	1,484	284	
43	Other expenses not covered above (itemize): a				
	b				
	c				
	d				
	e SEE STATEMENT 2	44,383	42,708	1,675	
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	255,685	250,105	5,580	

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 page 24 of the instructions.)

What is the organization's primary exempt purpose? SEE STATEMENT 3	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 \$ _____)	250,105
b SEE STATEMENT 5 (Grants and allocations \$ _____)	0
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)	250,105

**Part IV Balance Sheets** (See page 24 of the instructions.)

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	
<b>Assets</b>	45 Cash—non-interest-bearing . . . . .	5,223	45	952	
	46 Savings and temporary cash investments . . . . .	484	46	72	
	47a Accounts receivable . . . . .	47a			
	b Less: allowance for doubtful accounts . . . . .	47b	47c		
	48a Pledges receivable . . . . .	48a			
	b Less: allowance for doubtful accounts . . . . .	48b	48c		
	49 Grants receivable . . . . .		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		50		
	51a Other notes and loans receivable (attach schedule). . . . .	51a			
	b Less: allowance for doubtful accounts . . . . .	51b	51c		
	52 Inventories for sale or use . . . . .		52		
	53 Prepaid expenses and deferred charges . . . . .		53		
	54 Investments—securities (attach schedule). . . . .	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54		
	55a Investments—land, buildings, and equipment: basis . . . . .	55a 9,316			
	b Less: accumulated depreciation (attach schedule). . . . .	55b 5,182	5,902	55c	4,134
	56 Investments—other (attach schedule) . . . . .			56	
	57a Land, buildings, and equipment: basis . . . . .	57a			
	b Less: accumulated depreciation (attach schedule). . . . .	57b		57c	
	58 Other assets (describe ▶ _____ )			58	
	59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .		11,609	59	5,158
<b>Liabilities</b>	60 Accounts payable and accrued expenses . . . . .		60		
	61 Grants payable . . . . .		61		
	62 Deferred revenue . . . . .	TUITION DEPOSITS.	14,169	62	225
	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 ▶ P/R TAX & EMPLOYEE MEDICAL LIABILITY )		10	65	6,028
66 <b>Total liabilities</b> (add lines 60 through 65) . . . . .		14,179	66	6,253	
<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 Unrestricted . . . . .			67	
	68 Temporarily restricted . . . . .			68	
	69 Permanently restricted . . . . .			69	
	<b>Organizations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds . . . . .		0	70	0
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .		0	71	0
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .		(2,570)	72	(1,095)
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21). . . . .		(2,570)	73	(1,095)	
74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)		11,609	74	5,158	

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 page 26 of the instructions.)

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

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

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 26 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
CATHERINE BROWN 4704 W RAIRHILLS 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 ST. LOUIS 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 MERRIMAC LN N 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 page 26 of the instructions.

**Part VI Other Information** (See page 27 of the instructions.)

		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 income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt. 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	81a	0
b	Did the organization file <b>Form 1120-POL</b> 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 in Part III.) 82b   N/A	82b	N/A
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? N/A	83b	N/A
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? N/A	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	N/A
	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.		
c	Dues, assessments, and similar amounts from members 85c   N/A	85c	N/A
d	Section 162(e) lobbying and political expenditures 85d   N/A	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e   N/A	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f   N/A	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	N/A
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	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a   N/A	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities. 86b   N/A	86b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders. 87a   N/A	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b   N/A	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
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		
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	List the states with which a copy of this return is filed ▶ MINNESOTA		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions.) 90b   5	90b	5
91	The books are in care of ▶ DANA MCCARTHY Telephone no. ▶ (763) 543-8643 Located at ▶ 12325 HIGHWAY 55, PLYMOUTH, MN ZIP + 4 ▶ 55441-4750		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here N/A and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		

**Part VII Analysis of Income-Producing Activities** (See page 31 of the instructions.)

**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					194,320
a PROGRAM FEES					
b FIELD TRIPS					6,347
c MATERIALS FEES					15,328
d MISC. FEES					541
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					33
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	11,582	43
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a REFERRAL BONUS			01	113	
b PROMOTIONAL ITEMS			01	1,117	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				12,812	216,612
105 Total (add line 104, columns (B), (D), and (E))					229,424

**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 page 32 of the instructions.)

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 THE EXEMPT PURPOSE BY PROVIDING INSTRUCTION USING THE STUDY TECHNOLOGY METHOD TO CHILDREN ENROLLED.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions.)

(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 page 33 of the instructions.)

- (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**

Signature of officer: Dana McCarthy Date: 3/14/04

Type or print name and title: Dana McCarthy Treasurer

**Paid Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: \_\_\_\_\_ Preparer's SSN or PTIN (See Gen Inst W): \_\_\_\_\_

EIN: \_\_\_\_\_ Phone no: ( ) \_\_\_\_\_



**Part III 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 i 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.		

**Part IV Reason for Non-Private Foundation Status** (See pages 3 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)
- 7**  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8**  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9**  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state ▶** .....
- 10**  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A)
- 11a**  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b**  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12**  An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A)
- 13**  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

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

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



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

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

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	33,187	72,793	4,138	1,626	111,744
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	101,521	62,725			164,246
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	134,708	135,342	4,138	1,626	275,814
24 Line 23 minus line 17	33,187	72,617	4,138	1,626	111,568
25 Enter 1% of line 23	332	726	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 1998 through 2001 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: (2001) <u>20,467</u> (2000) <u>67,000</u> (1999) <u>0</u> (1998) <u>0</u>					
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: (2001) <u>16,032</u> (2000) <u>7,825</u> (1999) <u>0</u> (1998) <u>0</u>					
c Add: Amounts from column (e) for lines: 15 <u>111,744</u> 16 _____ 17 <u>164,246</u> 20 _____ 21 _____	27c 275,990				
d Add: Line 27a total <u>87,467</u> and line 27b total <u>23,857</u>	27d 111,324				
e Public support (line 27c total minus line 27d total)	27e 164,666				
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f 275,814				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g 60 %				
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 1998 through 2001, 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
<b>29</b>	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? . . . . .	<b>29</b>	
<b>30</b>	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? . . . . .	<b>30</b>	
<b>31</b>	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.) ..... ..... .....	<b>31</b>	
<b>32</b>	Does the organization maintain the following:		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b>	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.) ..... .....	<b>32d</b>	
<b>33</b>	Does the organization discriminate by race in any way with respect to.		
<b>a</b>	Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b>	Admissions policies? . . . . .	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b>	Educational policies? . . . . .	<b>33e</b>	
<b>f</b>	Use of facilities? . . . . .	<b>33f</b>	
<b>g</b>	Athletic programs? . . . . .	<b>33g</b>	
<b>h</b>	Other extracurricular activities? . . . . .  If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ..... .....	<b>33h</b>	
<b>34a</b>	Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</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.	<b>34b</b>	
<b>35</b>	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 . . . . .	<b>35</b>	

**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.

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
<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—		
	<b>If the amount on line 40 is—</b>		
	<b>The lobbying nontaxable amount is—</b>		
	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) 2002	(b) 2001	(c) 2000	(d) 1999	(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**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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
		0

- 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.



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	337		337	0	337
MASQUERADE BALL	5297		5297	4254	1043
BENEFIT DINNER	7414		7414	3157	4257
COMPUTERS	6330		6330	1043	5287
CARNIVAL	1713		1713	1055	658
TO FM 990, PART I, LINE 9	<u>21091</u>		<u>21091</u>	<u>9509</u>	<u>11582</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	-			
STAFF DEVELOPMENT	4,301	4,301		
BANK CHARGES	771	220	551	
INSURANCE	1,108	1,108		
LICENSE & PERMITS	17,679	17,679		
PROFESSIONAL FEES	1,009	84	925	
REPAIRS & MAINTENANCE	2,733	2,733		
MEALS	102	102		
DUES/SUBSCRIPTIONS	229	30	199	
GRANT EXPENSE	4,550	4,550		
PROGRAMS EXPENSES	<u>11,901</u>	<u>11,901</u>	<u>-</u>	
TO FORM 990, LINE 43	<u>44,383</u>	<u>42,708</u>	<u>1,675</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>250,105</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>-</u>

**FORM 990**

**FIXED ASSETS SCHEDULE**

	<u>BEGIN. BALANCE</u>	<u>BEGIN. ASSETS</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>ENDING BALANCE</u>
<b>FURNITURE &amp; EQUIPMENT</b>					
COST	7,837	7,837		-	7,837
ACCUM. DEPREC.	2,645	2,645		-	4,129
CURRENT DEPREC.		1,484		-	1,484
<b>COMPUTERS</b>					
COST	1,479	1,479		-	1,479
ACCUM. DEPREC.	769	769		-	1,053
CURRENT DEPREC.		284		-	284
<b>GRAND TOTALS:</b>					
COST	9,316	9,316	-	-	9,316
ACCUM. DEPREC.	3,414	3,414	-	-	5,182
CURRENT DEPREC.	-	1,768	-	-	1,768