

Return of Organization Exempt From Income Tax

2003

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

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 2003 calendar year, or tax year beginning AUGUST 1, 2003, and ending JULY 31, 20 04

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

C Name of organization
MINNESOTA APPLIED STUDY TECHNOLOGY, INC.

Number and street (or P O box if mail is not delivered to street address) Room/suite
2544 SOUTH HIGHWAY 100

City or town, state or country, and ZIP + 4
SAINT LOUIS PARK, MN 55416

D Employer identification number
41 ; 1942018

E Telephone number
(763) 442-0889

F Accounting method. Cash Accrual
 Other (specify) ▶

G Website. ▶

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.**

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

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **191,772**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a		20,010	
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ <u>20,010</u> noncash \$ _____)	1d			20,010
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			158,967
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			18
	5 Dividends and interest from securities	5			
	6a Gross rents	6a			
b Less: rental expenses	6b				
c Net rental income or (loss) (subtract line 6b from line 6a)	6c				
7 Other investment income (describe ▶)	7				
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b Less: cost or other basis and sales expenses	8a		8b	
	c Gain or (loss) (attach schedule)	8c			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
Revenue	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ <u>SEE STATEMENT 1</u> of contributions reported on line 1a)	9a		12,777	
	b Less: direct expenses other than fundraising expenses	9b		5,685	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		7,092	
Revenue	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 (attach schedule) (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			186,087
Expenses	13 Program services (from line 44, column (B))	13			184,538
	14 Management and general (from line 44, column (C))	14			645
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			185,183
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			904
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			(1,095)
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			(191)

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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 page 22 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	83,601	83,601		
27	Pension plan contributions				
28	Other employee benefits	9,672	9,672		
29	Payroll taxes	6,816	6,816		
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	5,985	5,960	25	
34	Telephone	2,610	2,610		
35	Postage and shipping	39	37	2	
36	Occupancy	40,938	40,938		
37	Equipment rental and maintenance	1,868	1,868		
38	Printing and publications				
39	Travel	969	969		
40	Conferences, conventions, and meetings				
41	Interest	33		33	
42	Depreciation, depletion, etc. (attach schedule)	1,230	1,060	170	
43	Other expenses not covered above (itemize) a				
b	SEE STATEMENT 2	31,422	31,007	415	
c					
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	185,183	184,538	645	

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 25 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 \$ _____)	185,063
b SEE STATEMENT 5 (Grants and allocations \$ _____)	120
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)	185,183

Part IV Balance Sheets (See page 25 of the instructions.)

				(A)		(B)	
				Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only							
Assets	45	Cash—non-interest-bearing		952	45	3,909	
	46	Savings and temporary cash investments		72	46	50	
	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)			54		
	55a	Investments—land, buildings, and equipment: basis	55a	9,316			
b	Less accumulated depreciation (attach schedule)	55b	6,411	4,134	55c	2,905	
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	Total assets (add lines 45 through 58) (must equal line 74)			5,158	59	7,054	
Liabilities	60	Accounts payable and accrued expenses			60		
	61	Grants payable			61		
	62	Deferred revenue		225	62	2,008	
	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	3,640	
65	Other liabilities (describe ► P/R TAX & MEDICAL LIABILITY)			6,028	65	1,406	
66	Total liabilities (add lines 60 through 65)			6,253	66	7,054	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.						
	67	Unrestricted			67		
	68	Temporarily restricted			68		
	69	Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here ► <input 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		(1,095)	72	(190)	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).			(1,095)	73	(190)
74	Total liabilities and net assets / fund balances (add lines 66 and 73)			5,158	74	6,864	

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 VI Other Information (See page 28 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	✓
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	✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	✓
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	✓
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 and indirect political expenditures. See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	✓
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	✓
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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓
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	✓
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? N/A	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 on line 85f?	85g	
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?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
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	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	
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	✓
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	✓
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 MINNESOTA		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b	5
91	The books are in care of DANA MCCARTHY Telephone no. (763) 422-0009 543-8643 Located at 2544 S. HIGHWAY 100, SAINT LOUIS PARK, MN ZIP + 4 55416		
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 page 33 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:					
a PROGRAM FEES					136,562
b FIELD TRIPS					4,898
c MATERIALS					9,991
d MISC. FEES					7,516
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					18
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	7,092	
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))				7,092	158,985
105 Total (add line 104, columns (B), (D), and (E))					166,077

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 34 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 34 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 34 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: 3/21/05

Type or print name and title: Dana McCarthy Treasurer - Secretary

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	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)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2003

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
N/A				
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
N/A		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)		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 ▶ \$ _____ (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.		
2	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.)		
a	Sale, exchange, or leasing of property?	2a	✓
b	Lending of money or other extension of credit?	2b	✓
c	Furnishing of goods, services, or facilities?	2c	✓
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	✓
e	Transfer of any part of its income or assets?	2e	✓
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a	✓
b	Do you have a section 403(b) annuity plan for your employees?	3b	✓
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	✓

Part IV 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 **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 6 of the instructions)

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?	N/A	N/A
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?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	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?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
	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?	34a	
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.	34b	
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	35	

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
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 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(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 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
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)			0

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	134		134	0	134
BENEFIT DINNER	9091		9091	3702	5389
FLOWER SALES	<u>3552</u>		<u>3552</u>	<u>1983</u>	<u>1569</u>
TO FM 990, PART I, LINE 9	<u>12777</u>		<u>12777</u>	<u>5685</u>	<u>7092</u>

FORM 990 OTHER EXPENSES STATEMENT 2

<u>DESCRIPTION</u>	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MGMT & GENERAL</u>	<u>FUNDRAISING</u>
ADVERTISING	-			
STAFF DEVELOPMENT	-			
BANK CHARGES	562	172	390	
INSURANCE	195	195		
LICENSE & PERMITS	16,929	16,929		
PROFESSIONAL FEES	-			
REPAIRS & MAINTENANCE	919	919		
MEALS	-			
DUES/SUBSCRIPTIONS	25		25	
GRANT EXPENSE	-			
PROGRAMS EXPENSES	<u>12,792</u>	<u>12,792</u>	<u>-</u>	
TO FORM 990, LINE 43	<u>31,422</u>	<u>31,007</u>	<u>415</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; AND 28 STUDENTS IN SCHOOL YEAR ENDED 7/31/03. 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>185,063</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>120</u>

MINNESOTA APPLIED STUDY TECHNOLOGY, INC. 41-1942018

FORM 990 LIST OF OFFICERS, DIRECTORS, TRUSTEES & KEY EMPLOYEES STATEMENT 6

(A) NAME & ADDRESS	(B) TITLE & AVG. HOURS/WEEK	(C) COMP.	(D) BENEFITS	(E) EXPENSES & ALLOWANCES
KELLY OLSON-WALTZ 9111 STANLEN ROAD ST. LOUIS PARK, MN 55426	CHAIRMAN 4-6	0	0	0
CATHERINE BROWN 4704 W FAIRHILLS ROAD MINNETONKA, MN 55345	PRESIDENT/ TEACHER 40	120	0	0
WENDY LIEBERMAN 4850 VALLEY FORGE LN PLYMOUTH, MN 55442	VICE PRESIDENT 4-6	0	0	0
DANA MCCARTHY 13032 STANTON DRIVE MINNETONKA, MN 55305	SECRETARY 4-6	0	0	0
ARLEN LIEBERMAN 4850 VALLEY FORGE LN PLYMOUTH, MN 55442	DIRECTOR 4-6	0	0	0
STEPANIE OLSON 5001 CLOVER RIDGE EDINA, MN 55436	DIRECTOR 4-6	0	0	0
KAREN TWEETEN 2641 VERNON AVENUE ST. LOUIS PARK, MN 55416	DIRECTOR 4-6	0	0	0
LORI CREVER 2927 NE ULYSSES ST. MINNEAPOLIS, MN 55418	DIRECTOR 4-6	0	0	0
MIKE STAPLES 4300 DELLWOOD LANE MOUND, MN 55364	DIRECTOR 4-6	0	0	0
KAREN WESLING 4430 NICOLLET AVE. #4 MINNEAPOLIS, MN 55410	DIRECTOR/ TEACHER 4-6	36,876	2,314	0
ARLEN LIEBERMAN 4850 VALLEY FORGE LN PLYMOUTH, MN 55442	DIRECTOR 4-6	0	0	0

FORM 990

FIXED ASSETS SCHEDULE

	<u>BEGIN.</u>	<u>BEGIN.</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>ENDING</u>
	<u>BALANCE</u>	<u>ASSETS</u>			<u>BALANCE</u>
FURNITURE & EQUIPMENT					
COST	7,837	7,837		-	7,837
ACCUM. DEPREC.	4,129	4,129		-	5,189
CURRENT DEPREC.		1,060		-	1,060
COMPUTERS					
COST	1,479	1,479		-	1,479
ACCUM. DEPREC.	1,053	1,053		-	1,223
CURRENT DEPREC.		170		-	170
GRAND TOTALS:					
COST	9,316	9,316	-	-	9,316
ACCUM. DEPREC.	6,836	5,182	-	-	6,412
CURRENT DEPREC.	-	1,230	-	-	1,230