

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2006

Open to Public Inspection

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

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

A For the 2006 calendar year, or tax year beginning January 1, 2006, and ending December 31, 2006

B Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instructions.

C Name of organization

Applied Scholastics International

Number and street (or P O box if mail is not delivered to street addr) Room/suite

11755 Riverview Dr.

City, town or country

Saint Louis

State ZIP code + 4

MO 63138-3610

D Employer Identification Number

23-7250829

E Telephone number

(314) 355-6355

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 Group Exemption Number

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

G Web site: www.appliedscholastics.org

J Organization type (check only one)

☒ 501(c) 3 (insert no.) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 3,412,445.

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

1 Contributions, gifts, grants, and similar amounts received

a Contributions to donor advised funds

b Direct public support (not included on line 1a)

c Indirect public support (not included on line 1a)

d Government contributions (grants) (not included on line 1a)

e Total (add lines 1a through 1d) (cash \$ 70,639. noncash \$)

2 Program service revenue including government fees and contracts (from Part VII, line 93)

3 Membership dues and assessments

4 Interest on savings and temporary cash investments

5 Dividends and interest from securities

6a Gross rents

b Less: rental expenses

c Net rental income or (loss). Subtract line 6b from line 6a

7 Other investment income (describe)

8a Gross amount from sales of assets other than inventory

b Less: cost or other basis and sales expenses

c Gain or (loss) (attach schedule)

d Net gain or (loss). Combine line 8c, columns (A) and (B)

9 Special events and activities (attach schedule) If any amount is from gaming, check here ☐

a Gross revenue (not including \$ of contributions reported on line 1b)

b Less: direct expenses other than fundraising expenses

c Net income or (loss) from special events. Subtract line 9b from line 9a

10a Gross sales of inventory, less returns and allowances

b Less: cost of goods sold

c Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a

11 Other revenue (from Part VII, line 103)

12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11

13 Program services (from line 44, column (B))

14 Management and general (from line 44, column (C))

15 Fundraising (from line 44, column (D))

16 Payments to affiliates (attach schedule)

17 Total expenses. Add lines 16 and 44, column (A)

18 Excess or (deficit) for the year. Subtract line 17 from line 12

19 Net assets or fund balances at beginning of year (from line 73, column (A))

20 Other changes in net assets or fund balances (attach explanation)

21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0101 01/18/07 Form 990 (2006)

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EXPENSES

ASSETS

Statement 4

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Part I 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.

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
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ <u>100.</u> <i>Stmt 5</i> non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	100.	100.	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch) See Part V-A	25a	193,948.	154,789.	21,528.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	816,351.	645,125.	36,325.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	87,739.	70,218.	4,992.
29 Payroll taxes	29	90,144.	72,142.	5,129.
30 Professional fundraising fees	30			
31 Accounting fees	31	30,161.	0.	0.
32 Legal fees	32	80,853.	22,150.	1,363.
33 Supplies	33	34,599.	28,765.	1,490.
34 Telephone	34	59,587.	47,688.	3,390.
35 Postage and shipping	35	101,908.	100,217.	441.
36 Occupancy	36	164,491.	131,478.	9,524.
37 Equipment rental and maintenance	37	70,892.	57,332.	3,864.
38 Printing and publications	38	34,235.	30,558.	449.
39 Travel	39	147,743.	139,095.	831.
40 Conferences, conventions, and meetings	40	9,563.	9,563.	0.
41 Interest	41	12,007.	9,609.	683.
42 Depreciation, depletion, etc (attach schedule)	42	236,423.	189,210.	13,452.
43 Other expenses not covered above (itemize)				
a Food & canteen purchases	43a	14,772.	14,772.	0.
b Program delivery	43b	70,066.	70,066.	0.
c Taxes, fees & dues	43c	3,273.	1,679.	0.
d Insurance	43d	53,035.	42,443.	3,018.
e Royalties	43e	61,900.	61,900.	0.
f Referral fees	43f	3,175.	3,175.	0.
g See Other Expenses Stmt 1	43g	369,694.	363,003.	1,849.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,746,659.	2,265,077.	108,328.

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

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.

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

Program Service Expenses
 (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)

a Supervision and Assistance to Education Groups

See Statement 11

(Grants and allocations \$ 100.) If this amount includes foreign grants, check here ▶ ☐

867,940.

b Education and Literacy Programs

See Statement 12

(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ ☐

894,736.

c Public Awareness and Information Campaigns

See Statement 13

(Grants and allocations \$ 0.) If this amount includes foreign grants, check here ▶ ☐

502,401.

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

e Other program services

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

2,265,077.

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Form 990 (2006)

Part I Balance Sheets (See 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
ASSETS	45 Cash – non-interest-bearing	478,790.	45	465,076.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47 a 203,857.		
	b Less: allowance for doubtful accounts	47 b 58,378.	181,223.	47 c 145,479.
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b		48 c
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b	
	51 a Other notes and loans receivable (attach schedule)	51 a 19,547.		
	b Less: allowance for doubtful accounts	51 b		51 c 19,547.
	52 Inventories for sale or use	74,684.	52	85,825.
	53 Prepaid expenses and deferred charges		53	7,017.
	54 a Investments – publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54 a	
	b Investments – other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54 b	
55 a Investments – land, buildings, & equipment basis	55 a			
b Less: accumulated depreciation (attach schedule)	55 b		55 c	
56 Investments – other (attach schedule)	Statement 6 141,877.	56	141,877.	
57 a Land, buildings, and equipment basis	57 a 1,565,327.			
b Less: accumulated depreciation (attach schedule)	Statement 7 57 b 675,183.	1,120,020.	57 c 890,144.	
58 Other assets, including program-related investments (describe ► <u>Statement 8</u>)	5,298.	58	5,208.	
59 Total assets (must equal line 74) Add lines 45 through 58	2,001,892.	59	1,760,173.	
LIABILITIES	60 Accounts payable and accrued expenses	225,003.	60	210,481.
	61 Grants payable		61	
	62 Deferred revenue	111,047.	62	117,964.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ► <u>Due on lease settlement</u>)		65	234,494.
	66 Total liabilities. Add lines 60 through 65	336,050.	66	562,939.
	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	1,603,337.	67	1,179,872.
68 Temporarily restricted	62,505.	68	17,362.	
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		70		
71 Paid-in or capital surplus, or land, building, and equipment fund		71		
72 Retained earnings, endowment, accumulated income, or other funds		72		
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	1,665,842.	73	1,197,234.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	2,001,892.	74	1,760,173.	

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Form 990 (2006)

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

a	Total revenue, gains, and other support per audited financial statements	a	3,751,383.
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	358,000.
3	Recoveries of prior year grants	b3	
4	Other (specify): _____	b4	
	Add lines b1 through b4	b	358,000.
c	Subtract line b from line a	c	3,393,383.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify): <u>COGS</u> (98,063)		
	<u>Food expense</u> 14772	d2	-83,291.
	Add lines d1 and d2	d	-83,291.
e	Total revenue (Part I, line 12) Add lines c and d	e	3,310,092.

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

a	Total expenses and losses per audited financial statements	a	3,960,504.
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	358,000.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): _____	b4	
	Add lines b1 through b4	b	358,000.
c	Subtract line b from line a	c	3,602,504.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify): <u>COGS</u> (98,063)		
	<u>Food expense</u> 14,772	d2	-83,291.
	Add lines d1 and d2	d	-83,291.
e	Total expenses (Part I, line 17) Add lines c and d	e	3,519,213.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See 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 and deferred compensation plans	(E) Expense account and other allowances
Bennetta Slaughter 11755 Riverview Dr. St. Louis MO 63138	Trustee, Director, CEO 55	0.	0.	0.
Frank Zurn 7065 Hollywood Blvd. Los Angeles CA 90028	Director .25	0.	0.	0.
Steven L. Hayes PO Box BB Pine Mountain Club CA 93222	Director .25	0.	0.	0.
Craig Burton 11755 Riverview Dr. St. Louis MO 63138	Trustee, Director, COO 55	76,481.	0.	0.
Paula Hayes PO Box BB Pine Mountain Club CA 93222	Director .25	0.	0.	0.
See List of Officers, Etc. Statement 1A				

Yes	No
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	Yes	No
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75b	X	
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75c		X
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75d	X		
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Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Part VI	Other Information (See the instructions.)	Yes	No
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	Yes	No
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76		X
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77		X
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78a		X
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78b		
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79	X
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80 a	X
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81 a 0.

81b	N/A
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Part III Other Information (continued)

	Yes	No
82 a 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?	82 a 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.)	82 b 358,000.	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83 b X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a N/A	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85 a N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b 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	85 c N/A	
d Section 162(e) lobbying and political expenditures	85 d N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g 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?	85 h N/A	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a N/A	
b Gross receipts, included on line 12, for public use of club facilities	86 b N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a 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.)	87 b N/A	
88 a 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 a	X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI	88 b	X
89 a 501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ , section 4955 ▶		
b 501(c)(3) and 501(c)(4) organizations 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	89 b	X
c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
d Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89 e	X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89 f	X
g For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89 g N/A	
90 a List the states with which a copy of this return is filed ▶ <u>California</u>		
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90 b 63	
91 a The books are in care of ▶ <u>Katie Chamberlain</u> Telephone number ▶ <u>(314) 355-6355</u> Located at ▶ <u>11755 Riverview Dr., St. Louis, MO</u> ZIP + 4 ▶ <u>63138-3610</u>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶	91 b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

BAA

Form 990 (2006)

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91 c Yes No

If 'Yes,' enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

and enter the amount of tax-exempt interest received or accrued during the tax year

92

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

Note: Enter gross amounts unless otherwise indicated

93 Program service revenue.

a Program svc fees

b Educational training

c Royalties income

d

e

f Medicare/Medicaid payments

g Fees & contracts from government agencies

94 Membership dues and assessments

95 Interest on savings & temporary cash invmnts

96 Dividends & 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 pers prop

99 Other investment income

100 Gain or (loss) from sales of assets other than inventory

101 Net income or (loss) from special events

102 Gross profit or (loss) from sales of inventory

103 Other revenue: a

b Student room & board

c Food & canteen sales

d Other

e

104 Subtotal (add columns (B), (D), and (E))

105 Total (add line 104, columns (B), (D), and (E))

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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)

See Statement 9

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

N/A

(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
	8			
	8			
	8			
	8			

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

Part III Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

N/A

Yes No

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

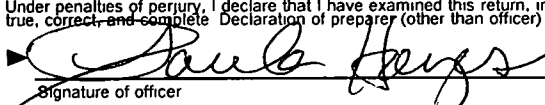

Yes No

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

Yes No

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	 Signature of officer		11/15/07 Date
Paid Preparer's Use Only	Paula Hayes, CFO Type or print name and title		
	Preparer's signature 	Date 	Check if self-employed <input type="checkbox"/>
Firm's name (or yours if self-employed), address, and ZIP + 4 Non-Paid Preparer		EIN 	
		Phone no 	

BAA

Form 990 (2006)

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under
Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

2006

Name of the organization

Applied Scholastics International

Employer identification number

23-7250829

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶	None			

Part II - A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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 ▶	None	

Part II - B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶	None	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

Part III Statements About Activities (See 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 **\$** 0.

(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?

b Lending of money or other extension of credit?

c Furnishing of goods, services, or facilities?

See Part V, Form 990

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

e Transfer of any part of its income or assets?

- 3a** Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)

b Did the organization have a section 403(b) annuity plan for its employees?

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

- 4a** Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.

b Did the organization make any taxable distributions under section 4966?

c Did the organization make a distribution to a donor, donor advisor, or related person?

d Enter the total number of donor advised funds owned at the end of the tax year

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year

Part V Reason for Non-Private Foundation Status (See instructions.)I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ▶
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

BAA

Schedule A (Form 990 or 990-EZ) 2006

Part III 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	147,166.	785,434.	1,639,273.	126,209.	2,698,082.
16 Membership fees received	0.	0.	0.	0.	0.
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	2,808,423.	2,163,374.	1,128,696.	1,087,624.	7,188,117.
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	860.	891.	1,051.	348.	3,150.
19 Net income from unrelated business activities not included in line 18	0.	0.	0.	0.	0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0.	0.	0.	0.	0.
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	0.	0.	0.	0.	0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets Statement 10	145,890.	106,169.	56,527.	1,378.	309,964.
23 Total of lines 15 through 22	3,102,339.	3,055,868.	2,825,547.	1,215,559.	10,199,313.
24 Line 23 minus line 17	293,916.	892,494.	1,696,851.	127,935.	3,011,196.
25 Enter 1% of line 23	31,023.	30,559.	28,255.	12,156.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 60,224.
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 68,107.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 3,011,196.
d Add: Amounts from column (e) for lines 18 <u>3,150.</u> 19 <u>0.</u>					26d 381,221.
22 <u>309,964.</u> 26b <u>68,107.</u>					26e 2,629,975.
e Public support (line 26c minus line 26d total)					26f 87.34 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
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 11b, 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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines 15 _____ 16 _____					
17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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.

Private School Questionnaire (See 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?	29		
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?	30		
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)	31		

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 V Lobbying Expenditures by Electing Public Charities (See 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 –		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is –		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable 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 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
	X	
	X	
	X	0.
	X	0.
	X	0.
	X	0.
	X	0.
	X	0.
	X	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.

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Schedule A (Form 990 or 990-EZ) 2006

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt 1

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<u>Promotion</u>	79,328.	77,684.	1,233.	411.
<u>Bank charges</u>	25,273.	20,226.	3,609.	1,438.
<u>Tech asst & supervision</u>	265,093.	265,093.	0.	0.
Total	<u>369,694.</u>	<u>363,003.</u>	<u>4,842.</u>	<u>1,849.</u>

Form 990, Page 5, Part V-A

List of Officers, Etc. Statement 1A

(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 and deferred compensation	(E) Expense account and other allowances
<u>Ian Lyons</u> <u>11755 Riverview Dr.</u> <u>St Louis MO 63138</u>	<u>Senior VP</u> <u>55</u>	<u>53,347.</u>	<u>0.</u>	<u>0.</u>
<u>Ruth Lyons</u> <u>11755 Riverview Dr.</u> <u>St Louis MO 63138</u>	<u>CFO</u> <u>55</u>	<u>17,852.</u>	<u>0.</u>	<u>0.</u>
<u>Elizabeth R. Roush</u> <u>11755 Riverview Dr.</u> <u>St Louis MO 63138</u>	<u>Secretary</u> <u>55</u>	<u>46,268.</u>	<u>0.</u>	<u>0.</u>

Explanation Statement 1BForm/Line: Form 990, Part V-Aline 75bExplanation of: Relationship of Officers, Trustees, & Highly Compensated EmployeesDirectors Steven L. Hayes and Paula Hayes are married.

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

FORM 990, PART V 2006

STATEMENT 2

OFFICERS, DIRECTORS, AND TRUSTEES WHO ARE ALSO EMPLOYEES ARE COMPENSATED ONLY FOR THEIR DUTIES AS EMPLOYEES, NOT FOR THEIR DUTIES AS OFFICERS, DIRECTORS AND TRUSTEES.

STATEMENT 2

APPLIED SCHOLASTICS INTERNATIONAL
INCOME AND COST OF GOODS SOLD
FORM 990 2006

23-7250829

STATEMENT 3

INCOME

1. GROSS RECEIPTS	231,975	
2. RETURNS AND ALLOWANCES	<u>0</u>	
3. LINE 1 LESS LINE 2		231,975
4. COST OF GOODS SOLD		<u>98,063</u>
5. GROSS PROFIT		<u><u>133,912</u></u>

COST OF GOODS SOLD

6. INVENTORY BEGINNING OF YEAR	74,684	
7. MERCHANDISE PURCHASED	109,204	
8. COST OF LABOR	0	
9. MATERIALS AND SUPPLIES	0	
10. OTHER COSTS	<u>0</u>	
11. TOTAL LINES 6 - 10		183,888
12. INVENTORY END OF YEAR		<u>85,825</u>
13. COST OF GOODS SOLD		<u><u>98,063</u></u>

STATEMENT 3

APPLIED SCHOLASTICS INTERNATIONAL
PAYMENTS TO AFFILIATES
FORM 990 2006

23-7250829

STATEMENT 4

<u>AFFILIATE'S NAME & ADDRESS</u>	<u>PURPOSE OF PAYMENT</u>	
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	TRADEMARK LICENSE FEES	772,554
APPLIED SCHOLASTICS CANADA TORONTO, ONTARIO	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	26,408
APPLIED SCHOLASTICS EUROPE COPENHAGEN, DENMARK	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	190,821
APPLIED SCHOLASTICS LATIN AMERICA MEXICO	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	10,436
APPLIED SCHOLASTICS ANZO SYDNEY, AUSTRALIA	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	2,179
APPLIED SCHOLASTICS AFRICA SOUTH AFRICA	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	12,675
APPLIED SCHOLASTICS UNITED KINGDOM EAST GRINSTEAD, ENGLAND	TECHNICAL ASSISTANCE & SUPERVISION OF EDUCATION GROUPS	22,574
TOTAL TO FORM 990, PART 1, LINE 16		<u>1,037,647</u>

STATEMENT 4

APPLIED SCHOLASTICS INTERNATIONAL
GRANTS AND ALLOCATIONS
FORM 990, PART II, LINE 22b

2005

23-7250829

STATEMENT 5

<u>CLASSIFICATION</u>	<u>DONEE'S NAME</u>	<u>DONEE'S ADDRESS</u>	<u>DONEE'S RELATIONSHIP</u>	<u>AMOUNT</u>
HURRICANE RELIEF DONATION	MISSION OF MEMPHIS, TENNESSEE		N/A	100

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B

100

APPLIED SCHOLASTICS INTERNATIONAL
OTHER INVESTMENTS
FORM 990, PART IV, LINE 56

23-7250829

STATEMENT 6

<u>DESCRIPTION</u>	<u>VALUATION METHOD</u>	<u>BEG. OF YEAR</u>	<u>END OF YEAR</u>
FINE ARTWORK & ANTIQUES	COST/APPRAISAL	<u>141,877</u>	<u>141,877</u>
TOTAL TO FORM 990, PART IV, LINE 56		<u>141,877</u>	<u>141,877</u>

APPLIED SCHOLASTICS INTERNATIONAL
FIXED ASSET AND DEPRECIATION & AMORTIZATION DETAIL
FORM 990 2005

23-7250829

STATEMENT 7

ASSET NO	DESCRIPTION OF PROPERTY	DATE PLACE IN SERVICE	METHOD	LIFE OR RATE	COST OR OTHER BASIS	12/31/2005 ACCUMULATED DEPRECIATION	2006 CURRENT DEPREC EXP	12/31/2006 ACCUMULATED DEPRECIATION	12/31/2006 NET BOOK VALUE
1	COMPUTER EQUIPMENT	2001	SL	5	5,136	4,622	514	5,136	0
2	COMPUTER SOFTWARE	2001	SL	3	947	947	0	947	0
3	COMPUTER EQUIPMENT	2002	SL	5	9,381	6,567	1,876	8,443	938
4	COMPUTER SOFTWARE	2002	SL	3	2,772	2,772	0	2,772	0
5	COMPUTER EQUIPMENT	2003	SL	5	103,921	42,685	20,784	63,469	40,452
6	COMPUTER SOFTWARE	2003	SL	3	6,156	4,378	1,778	6,156	0
7	FURNITURE & EQUIP	2003	SL	7	938,810	268,362	134,116	402,478	536,332
8	VEHICLES	2003	SL	5	13,900	5,560	2,780	8,340	5,560
9	COMPUTER EQUIPMENT	2004	SL	5	1,868	561	374	935	933
10	COMPUTER EQUIPMENT	2004	SL	5	22,598	6,779	4,520	11,299	11,299
11	COMPUTER SOFTWARE	2004	SL	3	3,043	1,521	1,014	2,535	508
12	COMPUTER SOFTWARE	2004	SL	3	2,379	1,190	793	1,983	396
13	FURNITURE & EQUIP	2004	SL	7	36,126	7,741	5,161	12,902	23,224
14	FURNITURE & EQUIP	2004	SL	7	357,210	76,545	51,030	127,575	229,636
15	VEHICLES	2004	SL	5	16,064	4,819	3,213	8,032	8,032
16	COMPUTER EQUIPMENT	2005	SL	5	7,390	739	1,478	2,217	5,173
17	COMPUTER SOFTWARE	2005	SL	3	11,110	1,852	3,704	5,556	5,554
18	FURNITURE & EQUIP	2005	SL	7	15,678	1,120	2,240	3,360	12,318
19	COMPUTER EQUIPMENT	2006	SL	5	2,592	0	259	259	2,333
20	COMPUTER SOFTWARE	2006	SL	3	2,107	0	351	351	1,756
21	FURNITURE & EQUIP.	2006	SL	7	6,138	0	438	438	5,700
BALANCES					1,565,327	438,760	236,423	675,183	890,144
BALANCES TO PART IV, LINE 57					<u>1,565,327</u>			<u>675,183</u>	<u>890,144</u>
DEPRECIATION EXPENSE TO PART II, LINE 42 AND FORM 4562, LINE 16						<u>236,423</u>			

STATEMENT 7

APPLIED SCHOLASTICS INTERNATIONAL

23-7250829

OTHER ASSETS

FROM 990, PART IV, LINE 58 2006

STATEMENT 8

<u>NAME</u>	<u>BEG. OF YEAR</u>	<u>END OF YEAR</u>
MATERIALS DEPOSITS	5,298	5,208
TOTAL TO FORM 990, PART IV, LINE 58	<u>5,298</u>	<u>5,208</u>

STATEMENT 8

APPLIED SCHOLASTICS INTERNATIONAL	23-7250829
RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF PURPOSE	
FORM 990, PART VIII 2006	STATEMENT 9

<u>LINE</u>	<u>EXPLANATION OF RELATIONSHIP TO ACTIVITIES</u>
93a	FEES RECEIVED FOR THE USE OF THE ORGANIZATION'S TRADEMARKS AND EDUCATIONAL TECHNOLOGY.
93b	FEES RECEIVED FOR TRAINING STUDENTS AND TEACHERS IN EDUCATIONAL TECHNOLOGY.
102	SALES OF EDUCATIONAL MATERIALS AND PUBLICATIONS TO TEACH EDUCATORS AND STUDENTS HOW TO LEARN.
103b	PROCEEDS FROM THE RENTAL OF LODGING TO STUDENTS AND TEACHERS WHO STUDY ON CAMPUS VISITING FROM ALL PARTS OF THE GLOBE.
103c	PROCEEDS FROM THE SALE OF FOOD AND CANTEEN ITEMS TO STUDENTS AND TEACHERS STUDYING ON CAMPUS.
103d	MISCELLANEOUS OTHER INCOME.

STATEMENT 9

APPLIED SCHOLASTICS INTERNATIONAL**23-7250829****OTHER INCOME****FORM 990, SCHEDULE A, LINE 22 2006****STATEMENT 10**

DESCRIPTION	2005	2004	2003	2002
ACCOMODATIONS INCOME	87,423	60,943	45,609	0
FOOD & CANTEEN SALES	33,026	32,343	10,803	0
CAMPUS USAGE	15,876	12,521	0	0
SCRAP & SALVAGE	8,909	0	115	0
PAYROLL TAX REFUND	479	362	0	0
TRAINING	0	0	0	1,369
COMMISSIONS RECEIVED	177	0	0	9
TOTAL TO SCHEDULE A, PART IV-A, LINE 22	145,890	106,169	56,527	1,378

STATEMENT 10

Description of Program Service One: Supervision and Assistance to Education Groups

Applied Scholastics International ("APS") advances the state of education around the world by teaching individuals and educators how to overcome obstacles to learning through the application of a variety of very simple but extraordinarily effective study techniques called "Study Technology." It also publishes and distributes an extensive library of educational material based on the Study Technology. APS coordinates the efforts of affiliated "Applied Scholastics" groups located throughout the world that utilize the Study Technology and APS materials in their educational programs.

APS helped establish 136 new Applied Scholastics groups in 2006, raising the total number of groups worldwide to 744. During the year, APS personnel provided weekly assistance to these groups to support and improve their educational programs and help them reach out to benefit more students. APS estimates that through its guided efforts, in 2006 these groups provided more than 1 million hours of tutoring to an average of 13,000 students a week.

In 2006 APS published a number of new educational materials for use in achieving higher literacy and learning, including a new phonics and reading program, a new version of its principal text "Learning How To Learn" with illustrations specifically for teenaged students, a reference manual to assist local groups to operate more effectively, and an instructional training course for their teachers and tutors. Other educational and student and teacher training materials APS previously developed were translated into 16 languages.

Over the course of the year, more than 2.5 million individuals were benefited through Applied Scholastics' network of educational groups and projects.

	Grants	Expenses
To Form 990, Part III, Line a	\$ 100	\$867,940

Description of Program Service Two: Education and Literacy Programs

In 2006, APS trained 9,600 teachers from 26 countries and 16 different states in the US in how to use the Study Technology to recognize and overcome the barriers to learning students routinely encounter; strategies for working within classrooms with diverse levels of student competency; techniques for closing the gaps on student academic achievement; specialized tutoring techniques for phonics, sight word repertoire, subject vocabulary, comprehension strategies and the like.

Over the year APS tutors and charitable community centers worked with 22 public schools, providing close to 5,000 hours of tutoring, and achieving an average of at least one grade of improvement per student for each 30 hours of tutoring.

During 2006, APS directly conducted a number of programs to improve the quality of education in several developing countries, including two larger projects in the Philippines and Nigeria. APS staff trained 76 college faculty members, 172 elementary and high school teachers and 34 principals, and 60 professors and doctors of education from 19 teacher's colleges, respectively. APS also coordinated a variety of specialized educational programs in the United States this year, including one at the poorest performing school in Louisiana that helped the school achieve an 11% increase in overall standing within one school year. Every 8th grade student who participated in the program passed their state tests and went on to high school.

	Grant	Expenses
To Form 990, Part III, Line b	\$0	\$894,736.

Applied Scholastics International
Federal ID #23-725089
2006 Form 990, Part III, Statement 13

Description of Program Service Three: Public Awareness and Information Campaigns

One of APS' principal programs is showing the public how they can apply the Study Technology to overcome learning problems commonly encountered, primarily through public lectures, seminars and workshops. In 2006, APS representatives presented more than 1,300 lectures, seminars and workshops to almost 32,000 people in 30 countries.

Over the year, APS and its groups disseminated factual information on specific educational problems and workable solutions through a variety of mailings, newsletters, newspaper articles, radio and TV interviews and shows and public service announcements reaching millions.

	Grants	Expenses
To Form 990, Part III, Line c	\$0	\$502,401.

Form 8868
(Rev. April 2007)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☐
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization Applied Scholastics International	Employer identification number 23 7250829
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 11755 Riverview Dr.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. St Louis MO 63138	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input checked="" type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **Applied Scholastics - 11755 Riverview St Louis**

Telephone No. ▶ **(314) 355-6355** FAX No. ▶ **(314) 355-2621**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6 months for a section 501(c) corporation required to file Form 990-T) extension of time until **8/15**, 20**06**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☐ calendar year 20 _____ or
- ▶ ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Cat No. 27916D

Form **8868** (Rev. 4-2007)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box ☐ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Applied Scholastics International	Employer identification number 2317250829
	Number, street, and room or suite no. if a P.O. box, see instructions. 11755 Riverview Dr.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. St Louis MO 63138	

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990 ☐ Form 990-PF ☐ Form 1041-A ☐ Form 6069
- ☐ Form 990-BL ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 4720 ☐ Form 8870
- ☐ Form 990-EZ ☐ Form 990-T (trust other than above) ☐ Form 5227

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **Applied Scholastics - 11755 Riverview St Louis**
Telephone No. **(314) 355-6259** FAX No. **(314) 355-2621**
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **Nov 15**, 20**07**
- 5 For calendar year **2007** or other tax year beginning _____, 20____, and ending _____, 20____.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **To complete certified audit and compute 990**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$ 0

Signature and Verification

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

Signature Title **COO**Date **8/7/07****Notice to Applicant. (To Be Completed by the IRS)**

- ☐ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- ☐ Other _____

Director

By _____

Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)