

Return of Organization Exempt From Income Tax

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

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service (77)

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

A For the 2007 calendar year, or tax year beginning, 2007, and ending

B Check if applicable

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

C Name of organization

Applied Scholastics International

Number and street (or P.O. box if mail is not delivered to street address) 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 3,518,603.

Part III 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

1a

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

1b

84,109.

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

1c

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

1d

e Total (add lines 1a through 1d) (cash \$ 84,109. noncash \$ 0.)

1e

84,109.

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

2

3,036,135.

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4

2,372.

5 Dividends and interest on 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

8a Gross amount from sales of assets other than inventory

(A) Securities

(B) Other

8a

b Less: cost or other basis and sales expenses

8b

c Gain or (loss) (attach schedule)

8c

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

8d

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)

9a

b Less: direct expenses other than fundraising expenses

9b

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

9c

10a Gross sales of inventory, less returns and allowances

10a

266,719.

b Less: cost of goods sold

10b

102,131.

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

10c

164,588.

11 Other revenue (from Part VII, line 103)

11

129,268.

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

12

3,416,472.

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

13

2,381,997.

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

14

293,086.

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

15

67,123.

16 Payments to affiliates (attach schedule)

16

758,236.

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

17

3,500,442.

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

18

-83,970.

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

19

1,197,234.

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

1,113,264.

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Statement 4

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 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
22a Grants paid from donor advised funds (attach sch) (cash \$ 0. non-cash \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	22a 0.	0.		
22b Other grants and allocations (att sch) (cash \$ 43,402. <i>Stunt</i> non-cash \$) <i>5</i> If this amount includes foreign grants, check here <input type="checkbox"/>	22b 43,402.	43,402.		
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 <i>See Part V-A</i>	25a 180,949.	154,709.	16,216.	10,024.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	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)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 768,109.	630,008.	112,894.	25,207.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 75,151.	62,586.	9,694.	2,871.
29 Payroll taxes	29 76,613.	63,803.	9,883.	2,927.
30 Professional fundraising fees	30			
31 Accounting fees	31 24,668.	0.	24,668.	0.
32 Legal fees	32 13,801.	1,045.	12,756.	0.
33 Supplies	33 29,801.	25,558.	3,273.	970.
34 Telephone	34 47,967.	39,948.	6,187.	1,832.
35 Postage and shipping	35 85,684.	81,710.	3,066.	908.
36 Occupancy	36 147,154.	122,551.	18,982.	5,621.
37 Equipment rental and maintenance	37 94,709.	79,425.	11,792.	3,492.
38 Printing and publications	38 70,321.	67,114.	2,523.	684.
39 Travel	39 74,291.	71,090.	2,470.	731.
40 Conferences, conventions, and meetings	40 65,605.	65,605.	0.	0.
41 Interest	41 10,551.	0.	10,551.	0.
42 Depreciation, depletion, etc (attach schedule)	42 236,134.	196,653.	30,461.	9,020.
43 Other expenses not covered above (itemize):				
a Food & canteen purchases	43a 7,260.	7,260.	0.	0.
b Program delivery	43b 212,829.	212,829.	0.	0.
c Taxes, fees & dues	43c 10,483.	7,308.	3,175.	0.
d Insurance	43d 48,696.	40,554.	6,282.	1,860.
e Royalties	43e 71,900.	71,900.	0.	0.
f Referral fees	43f 1,439.	1,439.	0.	0.
g See Other Expenses Stmt <i>1</i>	43g 344,689.	335,500.	8,213.	976.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 2,742,206.	2,381,997.	293,086.	67,123.

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 the instructions.)

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 \$ 43,402.) If this amount includes foreign grants, check here ☐

829,733.

b Education and Literacy Programs

See Statement 12

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

973,219.

c Public Awareness and Information Campaigns

See Statement 13

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

579,045.

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)

2,381,997.

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Form 990 (2007)

Part IV 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	465,076.	45	295,105.
	46 Savings and temporary cash investments		46	277,603.
	47a Accounts receivable	327,252.		
	b Less: allowance for doubtful accounts	110,620.	145,479.	47c 216,632.
	48a Pledges receivable			
	b Less: allowance for doubtful accounts			48c
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule) Statement 8	7,137.		
	b Less: allowance for doubtful accounts		19,547.	51c 7,137.
	52 Inventories for sale or use	85,825.	52	84,357.
	53 Prepaid expenses and deferred charges	7,017.	53	3,008.
	54a Investments — publicly-traded securities	Cost FMV	54a	
	b Investments — other securities (attach sch)	Cost FMV	54b	
55a Investments — land, buildings, & equipment: basis	55a			
b Less: accumulated depreciation (attach schedule)	55b	55c		
56 Investments — other (attach schedule) Statement 6	141,877.	56	141,877.	
57a Land, buildings, and equipment: basis	1,587,787.			
b Less: accumulated depreciation (attach schedule) Statement 7	911,317.	890,144.	57c 676,470.	
58 Other assets, including program-related investments (describe ► <u>Deposits</u>)	5,208.	58	477.	
59 Total assets (must equal line 74). Add lines 45 through 58	1,760,173.	59	1,702,666.	
LIABILITIES	60 Accounts payable and accrued expenses	210,481.	60	235,316.
	61 Grants payable		61	
	62 Deferred revenue	117,964.	62	157,089.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ► <u>Due on lease settlement</u>)	234,494.	65	196,997.
	66 Total liabilities. Add lines 60 through 65	562,939.	66	589,402.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,179,872.	67	1,107,824.
	68 Temporarily restricted	17,362.	68	5,440.
	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)	1,197,234.	73	1,113,264.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,760,173.	74	1,702,666.

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Form 990 (2007)

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	3,883,093.
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	371,750.	
	3 Recoveries of prior year grants	b3		
	4 Other (specify):	b4		
	Add lines b1 through b4		b	371,750.
c	Subtract line b from line a		c	3,511,343.
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): COGS (102,131) Food expense 7,260	d2	-94,871.	
	Add lines d1 and d2		d	-94,871.
e	Total revenue (Part I, line 12). Add lines c and d		e	3,416,472.










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

a	Total expenses and losses per audited financial statements		a	3,967,063.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1	371,750.	
	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	371,750.
c	Subtract line b from line a		c	3,595,313.
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): COGS (102,131) Food expense 7,260	d2	-94,871.	
	Add lines d1 and d2		d	-94,871.
e	Total expenses (Part I, line 17). Add lines c and d		e	3,500,442.

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, Dir, CEO 55.00	0.	0.	0.
Elizabeth R. Roush 11755 Riverview Dr. St. Louis MO 63138	Secretary 55.00	24,340.	0.	0.
Steven L. Hayes PO Box 4929 Clearwater FL 33758	Director 0.50	0.	0.	0.
Craig Burton 11755 Riverview Dr. St Louis MO 63138	Trustee, Dir, COO 55.00	75,802.	0.	0.
Paula Hayes PO Box 4929 Clearwater FL 33758	Director, CFO 2.00	0.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				
1A				

Yes	No
-----	----

		
75b	X	
		
75c		X
		
75d	X	

75b	X
-----	---

75c	X
-----	---

75d	X	
-----	---	--

75d	X	
-----	---	--

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.)

[illegible]

Y	N
---	---

	Yes	No
--	-----	----

76		X
----	--	---

77		X
----	--	---



78a	X
-----	---

78b		
-----	--	--

		
79		Y

80a		Y
-----	--	---

53		A

100

81 a	0
------	---

81b		Y
-----	--	---

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Part VII 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?	X	
82 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.)	371,750.	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	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.			
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	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		X
88 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		X
89 a	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.		
89 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		X
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0.	
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	0.	
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 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?	N/A	
90 a	List the states with which a copy of this return is filed	California	
90 b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	80	
91 a	The books are in care of Katie Chamberlain Telephone number (314) 355-6355 Located at 11755 Riverview Dr. St. Louis MO ZIP +4 63138-3610		
91 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		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			

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Form 990 (2007)

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

X

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.

	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 svc fees					2,681,245.
b Educational training					316,551.
c Royalties					38,339.
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	2,372.	
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					164,588.
103 Other revenue: a					
b Student room & board					109,755.
c Food & canteen sales					19,356.
d Insurance reimbursement			1	157.	
e					
104 Subtotal (add columns (B), (D), and (E))				2,529.	3,329,834.
105 Total (add line 104, columns (B), (D), and (E))					3,332,363.

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
	%			
	%			
	%			
	%			

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 XI 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?

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: Paula Hayes Date: 11-17-08

Type or print name and title: Paula Hayes CFO

Paid Preparer's Use Only

Preparer's signature: Non-Paid Preparer Date:

Check if self-employed: ☐ Preparer's SSN or PTIN (See General Instruction X):

Firm's name (or yours if self-employed), address, and ZIP + 4: EIN: Phone no:

BAA

Form 990 (2007)

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

2007

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	

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.)		X
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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
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)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
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		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.		X
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		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year		0

Part IV 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.)
- 11 a ☒ 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.)
- 11 b ☐ 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) 2007

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	70,639.	147,166.	785,434.	1,639,273.	2,642,512.
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	2,996,172.	2,808,423.	2,163,374.	1,128,696.	9,096,665.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975	245.	860.	891.	1,051.	3,047.
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	107,438.	145,890.	106,169.	56,527.	416,024.
23 Total of lines 15 through 22	3,174,494.	3,102,339.	3,055,868.	2,825,547.	12,158,248.
24 Line 23 minus line 17	178,322.	293,916.	892,494.	1,696,851.	3,061,583.
25 Enter 1% of line 23	31,745.	31,023.	30,559.	28,255.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 61,232.
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 32,120.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 3,061,583.
d Add: Amounts from column (e) for lines:					
18 3,047.					26d 451,191.
19 0.					
22 416,024.					26e 2,610,392.
e Public support (line 26c minus line 26d total)					26f 85.26 %
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:					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
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:					
(2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines:					
15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____					27d _____
d Add: Line 27a total _____ and line 27b total _____					27e _____
e Public support (line 27c total minus line 27d total)					27f _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27g _____ %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	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?	34b		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation.	35		

Part VI-A 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.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h .)		X	
c Media advertisements		X	0.
d Mailings to members, legislators, or the public		X	0.
e Publications, or published or broadcast statements		X	0.
f Grants to other organizations for lobbying purposes		X	0.
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	0.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	0.
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.

BAA

Schedule A (Form 990 or 990-EZ) 2007

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
Promotion	41,638.	36,538.	5,058.	42.
Bank charges	24,451.	20,362.	3,155.	934.
Tech asst & supervision	278,600.	278,600.	0.	0.
Total	344,689.	335,500.	8,213.	976.

Form 990, Page 5, Part V-A

List of Officers, Directors, Trustees, & Key Employees 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
Business <input type="checkbox"/> Person <input type="checkbox"/> Pam Chipman 11755 Riverview Dr. St Louis MO 63138	Senior VP 55.00	42,839.	0.	0.
Business <input type="checkbox"/> Person <input type="checkbox"/> Adrian Austin 11755 Riverview Dr. St Louis MO 63138	VP 55.00	37,968.	0.	0.

Additional Information

Statement 1B

Form 990, Part V-A, line 75b

Directors 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****2007****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 2007

23-7250829

STATEMENT 3

INCOME

1. GROSS RECEIPTS	266,719	
2. RETURNS AND ALLOWANCES	<u>0</u>	
3. LINE 1 LESS LINE 2		266,719
4. COST OF GOODS SOLD		<u>102,131</u>
5. GROSS PROFIT		<u>164,588</u>

COST OF GOODS SOLD

6. INVENTORY BEGINNING OF YEAR	85,825	
7. MERCHANDISE PURCHASED	100,663	
8. COST OF LABOR	0	
9. MATERIALS AND SUPPLIES	0	
10. OTHER COSTS	<u>0</u>	
11. TOTAL LINES 6 - 10		186,488
12. INVENTORY END OF YEAR		<u>84,357</u>
13. COST OF GOODS SOLD		<u>102,131</u>

STATEMENT 3

APPLIED SCHOLASTICS INTERNATIONAL
PAYMENTS TO AFFILIATES
FORM 990 2007

23-7250829

STATEMENT 4

<u>AFFILIATE'S NAME & ADDRESS</u>	<u>PURPOSE OF PAYMENT</u>	<u>AMOUNT</u>
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	TRADEMARK LICENSE FEES	758,236

STATEMENT 4

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

2007

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>
ESTABLISHMENT OF COMMUNITY TUTORING CENTER	VISION LITERACY		NONE	7,775
EDUCATIONAL PROGRAMS	ABLE INTERNATIONAL		AFFILIATE	5,915
EDUCATION	ABLE INTERNATIONAL		AFFILIATE	27,812
PUBLIC RELATIONS	ABLE INTERNATIONAL		AFFILIATE	900
PUBLIC RELATIONS	BRIDGE PUBLICATIONS		NONE	1,000
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B				<u>43,402</u>

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 2007

23-7250829

STATEMENT 7

ASSET NO.	DESCRIPTION OF PROPERTY	DATE PLACE IN SERVICE	METHOD	LIFE OR RATE	COST OR OTHER BASIS	12/31/2006 ACCUMULATED DEPRECIATION	2007 CURRENT DEPREC. EXP.	12/31/2007 ACCUMULATED DEPRECIATION	12/31/2007 NET BOOK VALUE
1	COMPUTER EQUIPMENT	2001	SL	5	5,136	5,136	0	5,136	0
2	COMPUTER SOFTWARE	2001	SL	3	947	947	0	947	0
3	COMPUTER EQUIPMENT	2002	SL	5	9,381	8,443	938	9,381	0
4	COMPUTER SOFTWARE	2002	SL	3	2,772	2,772	0	2,772	0
5	COMPUTER EQUIPMENT	2003	SL	5	103,921	63,469	20,784	84,253	19,668
6	COMPUTER SOFTWARE	2003	SL	3	6,156	6,156	0	6,156	0
7	FURNITURE & EQUIP.	2003	SL	7	938,810	402,478	134,116	536,594	402,216
8	VEHICLES	2003	SL	5	13,900	8,340	2,780	11,120	2,780
9	COMPUTER EQUIPMENT	2004	SL	5	1,868	935	374	1,309	559
10	COMPUTER EQUIPMENT	2004	SL	5	22,598	11,299	4,520	15,819	6,779
11	COMPUTER SOFTWARE	2004	SL	3	3,043	2,535	508	3,043	0
12	COMPUTER SOFTWARE	2004	SL	3	2,379	1,983	396	2,379	0
13	FURNITURE & EQUIP.	2004	SL	7	36,126	12,902	5,161	18,063	18,063
14	FURNITURE & EQUIP.	2004	SL	7	357,210	127,575	51,030	178,605	178,605
15	VEHICLES	2004	SL	5	16,064	8,032	3,213	11,245	4,819
16	COMPUTER EQUIPMENT	2005	SL	5	7,390	2,217	1,478	3,695	3,695
17	COMPUTER SOFTWARE	2005	SL	3	11,110	5,556	3,704	9,260	1,850
18	FURNITURE & EQUIP.	2005	SL	7	15,678	3,360	2,240	5,600	10,078
19	COMPUTER EQUIPMENT	2006	SL	5	2,592	259	518	777	1,815
20	COMPUTER SOFTWARE	2006	SL	3	2,107	351	702	1,053	1,054
21	FURNITURE & EQUIP.	2006	SL	7	6,138	438	877	1,315	4,823
22	COMPUTER EQUIPMENT	2007	SL	5	6,263	0	626	626	5,637
23	VEHICLES	2007	SL	5	4,500	0	450	450	4,050
24	COMPUTER SOFTWARE	2007	SL	3	9,298	0	1,550	1,550	7,748
25	FURNITURE & EQUIP.	2007	SL	7	2,399	0	169	169	2,230
BALANCES					1,587,787	675,183	236,134	911,317	676,470
BALANCES TO PART IV, LINE 57					<u>1,587,787</u>			<u>911,317</u>	<u>676,470</u>
DEPRECIATION EXPENSE TO PART II, LINE 42 AND FORM 4562, LINE 16						<u>236,134</u>			

STATEMENT 7

APPLIED SCHOLASTICS INTERNATIONAL**23-7250829****OTHER NOTES AND LOANS RECEIVABLE****FORM 990, PART IV, LINE 51 2007****STATEMENT 8**

<u>NAME</u>	<u>BEG. OF YEAR</u>	<u>END OF YEAR</u>
EDUCATION CONTRACTS RECEIVABLE	9,919	0
RECEIVABLES FROM AFFILIATES	7,548	881
ADVANCES TO EMPLOYEES	1,872	6,256
PAYROLL TAXES RECEIVABLE	208	0
 TOTAL TO FORM 990, PART IV, LINE 51	 <u>19,547</u>	 <u>7,137</u>

STATEMENT 8

APPLIED SCHOLASTICS INTERNATIONAL	23-7250829
RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF PURPOSE	
FORM 990, PART VIII 2007	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.
93c	ROYALTIES FROM EDUCATIONAL MATERIALS USED IN APPLIED SCHOLASTICS PROGRAMS.
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.

STATEMENT 9

APPLIED SCHOLASTICS INTERNATIONAL**23-7250829****OTHER INCOME****FORM 990, SCHEDULE A, PART IV-A, LINE 22 2007****STATEMENT 10**

DESCRIPTION	2006	2005	2004	2003
ACCOMODATIONS INCOME	87,154	87,423	60,943	45,609
FOOD & CANTEEN SALES	19,934	33,026	32,343	10,803
CAMPUS USAGE		15,876	12,521	0
SCRAP & SALVAGE		8,909	0	115
PAYROLL TAX REFUND		479	362	0
CREDIT COLLECTED	206	0	0	0
COMMISSIONS RECEIVED	144	177	0	0
TOTAL TO SCHEDULE A, PART IV-A, LINE 22	107,438	145,890	106,169	56,527

STATEMENT 10

Applied Scholastics International
Federal ID #23-7250829
2007 Form 990, Part III, Statement 11

Program Service One: Supervision of and Assistance to Educational Groups

Applied Scholastics International ("APS") advances education by teaching individuals and educators how to overcome obstacles to learning through the application of simple but very 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 52 new local Applied Scholastics groups in 2007, raising the total number of its affiliated educational groups worldwide to 757. During the year, APS personnel provided guidance and weekly technical 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 2007 these groups provided more than 1 million hours of tutoring to an average of 12,000 students a week.

In 2007 APS published 14 new educational publications for use in achieving higher literacy and learning, including the new "Applied Scholastics Achievement Program," a specially-designed student/teacher training combination for helping underperforming students. During 2007 more than 16,000 copies of APS's educational publications were provided to educators and students throughout the world.

APS estimates that over the course of the year its network of educational groups and projects benefited more than 3 million individuals.

	Grants	Expenses
To Form 990, Part III, Line a	\$43,402	\$829,733

Applied Scholastics International
Federal ID #23-7250829
2007 Form 990, Part III, Statement 12

Program Service Two: Educational and Literacy Programs

In 2007 APS trained 8,500 teachers from 18 countries and 14 different states in the US in various techniques and programs based on the Study Technology for helping their students recognize and overcome barriers to learning. Under APS's guidance its tutors and community centers worked with 50 public schools, providing over 8,000 hours of tutoring, and achieving an average of at least one grade of improvement per student for each 30 hours of tutoring.

During 2007 APS directly conducted a number of programs to improve the quality of education in several developing countries, including two large projects in the Philippines and Nigeria. In the Philippines, APS staff had previously trained over 632 teachers from dozens of schools from kindergartens to colleges. In 2007, through APS's assistance, those teachers implemented APS programs in their schools with unprecedented success -- the worst ranked school district in the nation (ranked 14 out of 14) moved up six places to number 8. In Nigeria APS trained 600 professors from 12 colleges as "Applied Scholastics Workshop Leaders," who then trained 1,576 educators and 4,188 college students on APS Programs during the year.

	Grant	Expenses
To Form 990, Part III, Line b	\$ 0	\$973,219

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Program Service Three: Public Awareness and Information Campaigns

In 2007, APS volunteers presented more than 900 lectures, seminars and workshops on the Study Technology to over 20,000 people in 26 countries. APS and its groups also 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 literally millions of individuals.

	Grants	Expenses
To Form 990, Part III, Line c	\$ 0	\$579,045