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# Return of Organization Exempt From Income Tax

OMB No. 1545-0047

**2001**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

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

**A** For the 2001 calendar year, OR tax year beginning 10/1/2001, and ending 12/31/2001

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

Please use IRB label or print or type. See Specific Instructions.	<b>C</b> Name of organization <b>SUNSTONE EDUCATION FOUNDATION INCORPORATED</b>		<b>D</b> Employer identification number 87-0683974
	Number and street (or P. O. box if mail is not delivered to street address) Room/suite		<b>E</b> Telephone number
	343 N 300 W		801 355-5926
	City or town	State or country	ZIP + 4
SALT LAKE CITY		UT	84103
			<b>F</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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

**G** Web site

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

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

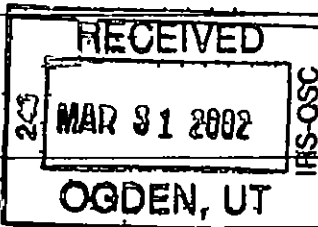
**I** Enter 4-digit GEN \_\_\_\_\_

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

**L** Gross receipts. Add lines 8b, 8b, 9b, and 10b to line 12 73,930

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

SCANNED APR 17 2001 e n c e	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support		1a	50,590	
	<b>b</b> Indirect public support		1b		
	<b>c</b> Government contributions (grants)		1c		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <u>50,590</u> noncash \$ _____)		1d	50,590	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)		2	23,340	
	<b>3</b> Membership dues and assessments		3		
	<b>4</b> Interest on savings and temporary cash investments		4		
	<b>5</b> Dividends and interest from securities		5		
	<b>6a</b> Gross rents		6a		
	<b>b</b> Less rental expenses		6b		
	<b>6c</b> Net rental income or (loss) (subtract line 6b from line 6a)		6c	0	
<b>7</b> Other investment income (describe _____)		7			
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	(B) Other			
<b>b</b> Less cost or other basis and sales expenses	8a	8b			
<b>c</b> Gain or (loss) (attach schedule)	0	8c	0		
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))		8d	0		
<b>9</b> Special events and activities (attach schedule)					
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)		9a			
<b>b</b> Less direct expenses other than fundraising expenses		9b			
<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)		9c	0		
<b>10a</b> Gross sales of inventory, less returns and allowances		10a			
<b>b</b> Less cost of goods sold		10b			
<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		10c	0		
<b>11</b> Other revenue (from Part VII, line 103)		11			
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12	73,930		
<b>13</b> Program services (from line 44, column (B))		13	20,320		
<b>14</b> Management and general (from line 44, column (C))		14	39,584		
<b>15</b> Fundraising (from line 44, column (D))		15	0		
<b>16</b> Payments to affiliates (attach schedule)		16			
<b>17</b> Total expenses (add lines 16 and 44, column (A))		17	59,904		
<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)		18	14,026		
<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))		19	0		
<b>20</b> Other changes in net assets or fund balances (attach explanation)		20			
<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	14,026		



**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	0			
23 Specific assistance to individuals (attach schedule)	0			
24 Benefits paid to or for members (attach schedule)	0			
25 Compensation of officers, directors, etc	22,981		22,981	
26 Other salaries and wages	8,772		8,772	
27 Pension plan contributions	0			
28 Other employee benefits	0			
29 Payroll taxes	2,611		2,611	
30 Professional fundraising fees	0			
31 Accounting fees	0			
32 Legal fees	0			
33 Supplies	2,158	1,408	750	
34 Telephone	730	70	660	
35 Postage and shipping	3,567	3,234	333	
36 Occupancy	1,861		1,861	
37 Equipment rental and maintenance	0			
38 Printing and publications	320	320		
39 Travel	200	200		
40 Conferences, conventions, and meetings	0			
41 Interest	0			
42 Depreciation, depletion, etc (attach schedule)	0			
43 Other expenses not covered above (itemize) a <u>DIRECT</u>	12,741	12,741		
b <u>BANK CHARGES</u>	241		241	
c <u>FEE</u>	500		500	
d <u>MEALS &amp; ENTERTAINMENT</u>	295	90	205	
e <u>CONTRACT LABOR</u>	2,061	2,061		
f <u>REPAIRS</u>	866	196	670	
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	59,904	20,320	39,584	0

Joint Costs Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments**

(See Specific Instructions on page 24.)

What is the organization's primary exempt purpose? RELIGIOUS 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) orgs and 4947(a)(1) trusts but optional for others.)

a	<u>PUBLICATIONS, SYMPOSIUMS, AND CONFERENCES OF MULTIDISCIPLINARY RELIGION</u>	
	(Grants and allocations \$ _____)	
b		
	(Grants and allocations \$ _____)	
c		
	(Grants and allocations \$ _____)	
d		
	(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	0

**Part IV Balance Sheets**

(See Specific Instructions on page 24 )

Note	Where required, attached schedules and amounts within the description column should be for end-of-year amounts only	(A) Beginning of year	(B) End of year
<b>Assets</b>			
45	Cash - non-interest-bearing		14,849
46	Savings and temporary cash investments		
47a	Accounts receivable		
b	Less allowance for doubtful accounts		0
48a	Pledges receivable		
b	Less allowance for doubtful accounts		0
49	Grants receivable		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		
51a	Other notes and loans receivable (attach schedule)		
b	Less allowance for doubtful accounts		0
52	Inventories for sale or use		2,268
53	Prepaid expenses and deferred charges		
54	Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
55a	Investments - land, buildings, and equipment basis		
b	Less accumulated depreciation (attach schedule)		0
56	Investments - other (attach schedule)	0	0
57a	Land, buildings, and equipment basis	7,998	
b	Less accumulated depreciation (attach schedule)		7,998
58	Other assets (describe _____ )	0	0
59	<b>Total assets (add lines 45 through 58) (must equal line 74)</b>	0	25,115
<b>Liabilities</b>			
60	Accounts payable and accrued expenses		11,089
61	Grants payable		
62	Deferred revenue		
63	Loans from officers, directors, trustees, and key employees (attach schedule)		
64a	Tax-exempt bond liabilities (attach schedule)		
b	Mortgages and other notes payable (attach schedule)		
65	Other liabilities (describe _____ )	0	0
66	<b>Total liabilities (add lines 60 through 65)</b>	0	11,089
<b>Net Assets or Fund Balances</b>			
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67	Unrestricted		
68	Temporarily restricted		
69	Permanently restricted		
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		
71	Paid-in or capital surplus, or land, building, and equipment fund		
72	Retained earnings, endowment, accumulated income, or other funds		14,026
73	<b>Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)</b>	0	14,026
74	<b>Total liabilities and net assets/fund balances (add lines 66 and 73)</b>	0	25,115

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



**Part VI Other Information**

(See Specific Instructions on page 27 )

**Yes or No**

<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<b>76</b>	No
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	<b>77</b>	No
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>	Yes
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year?	<b>78b</b>	Yes
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<b>79</b>	No
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<b>80a</b>	No
<b>b</b> If "Yes," enter the name of the organization _____ _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
<b>81a</b> Enter direct or indirect political expenditures See line 81 instructions	<b>81a</b>	
<b>b</b> Did the organization file Form 1120-POL for this year?	<b>81b</b>	
<b>82a</b> 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?	<b>82a</b>	No
<b>b</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)	<b>82b</b>	
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	Yes
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	Yes
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>	No
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>	
<b>85</b> 501(c)(4), (5), or (6) organizations <b>a</b> Were substantially all dues nondeductible by members?	<b>85a</b>	
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	<b>85b</b>	
<b>c</b> Dues, assessments, and similar amounts from members	<b>85c</b>	
<b>d</b> Section 162(e) lobbying and political expenditures	<b>85d</b>	
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>	
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>	0
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>	
<b>h</b> 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?	<b>85h</b>	
<b>86</b> 501(c)(7) orgs Enter <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>	
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>	
<b>87</b> 501(c)(12) orgs Enter <b>a</b> Gross income from members or shareholders	<b>87a</b>	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )	<b>87b</b>	
<b>88</b> 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	<b>88</b>	No
<b>89a</b> 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____		
<b>b</b> 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	<b>89b</b>	
<b>c</b> Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
<b>d</b> Enter Amount of tax on line 89c, above, reimbursed by the organization		
<b>90a</b> List the states with which a copy of this return is filed _____		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2001 (See instructions )	<b>90b</b>	0
<b>91</b> The books are in care of <u>WILLIAM STANFORD</u> Telephone no <u>801-355-5926</u> Located at <u>343 N 300 W, SALT LAKE CITY, UTAH</u> ZIP + 4 <u>84103</u>		
<b>92</b> 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	<b>92</b>	<input type="checkbox"/>

**Part VII Analysis of Income-Producing Activities**

(See Specific Instructions on page 32)

Note	Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(E)
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93	Program service revenue					
a	SYMPOSIUMS					0
b	RELIGIOUS PUBLICATIONS					23,038
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments					
96	Dividends and interest from securities					
97	Net rental income or (loss) from real estate					
a	debt-financed property					
b	not debt-financed property					
98	Net rental income or (loss) from personal property					
99	Other investment income					
100	Gain or (loss) from sales of assets other than inventory					
101	Net income or (loss) from special events					
102	Gross profit or (loss) from sales of inventory					
103	Other revenue a ADVERTISING	7310	300			
b						
c						
d						
e						
104	Subtotal (add cols (B), (D), and (E))		300		0	23,038
105	Total (add line 104, columns (B), (D), and (E))					23,338

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes**

(See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	SYMPOSIUMS ARE HELD IN SALT LAKE CITY, UT AND IN OTHER CITIES WITH LARGE LDS POPULATIONS THOUSANDS OF PEOPLE ATTEND TO PARTICIPATE, PROVIDING A FORUM ON CHURCH ISSUES
93b	SUNSTONE MAGAZINE IS PUBLISHED ON LDS TOPICS, ART, AND ISSUES IN ADDITION, RELIGIOUS BOOKS ARE SOLD ON THE SAME SUBJECT

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities**

(See Specific Instructions on page 33)

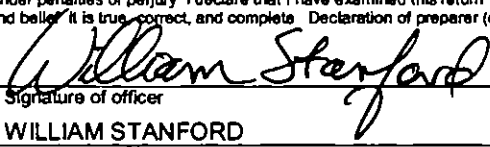
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts**

(See Specific Instructions on page 33)

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

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

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		March 28, 2002 Date	
Paid Preparer's Use Only	WILLIAM STANFORD Type or print name and title		BUSINESS MGR	
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed) address and ZIP + 4	EIN		Phone no ( )





**Part III Statements About Activities** (See page 2 of the instructions)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property?	2a	X
<b>b</b> Lending of money or other extension of credit?	2b	X
<b>c</b> Furnishing of goods, services, or facilities?	2c	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
<b>e</b> Transfer of any part of its income or assets?	2e	X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)	3	X
<b>4</b> Do you have a section 403(b) annuity plan for your employees?	4	X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

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

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

(a) Name(s) of supported organization(s)	(b) Line number from above
_____	12
_____	12

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

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

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

Calendar year (or fiscal year beginning in) . . . . .	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	0	0	0	0	0
<b>16</b> Membership fees received	0	0	0	0	0
<b>17</b> 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	0	0	0	0	0
<b>18</b> 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	0	0	0	0	0
<b>19</b> Net income from unrelated business activities not included in line 18	0	0	0	0	0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0	0	0	0	0
<b>21</b> 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
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	0	0	0	0	0
<b>23</b> Total of lines 15 through 22	0	0	0	0	0
<b>24</b> Line 23 minus line 17	0	0	0	0	0
<b>25</b> Enter 1% of line 23	0	0	0	0	0

<b>26 Organizations described on lines 10 or 11</b>	<b>a</b> Enter 2% of amount in column (e), line 24	<b>26a</b>	0
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		<b>26b</b>	
<b>c</b> Total support for section 509(a)(1) test Enter line 24, column (e)		<b>26c</b>	0
<b>d</b> Add Amounts from column (e) for lines	18 <u>0</u> 19 <u>0</u>	<b>26d</b>	0
	22 <u>0</u> 26b <u>0</u>	<b>26e</b>	0
<b>e</b> Public support (line 26c minus line 26d total)		<b>26f</b>	0 00%
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

<b>27 Organizations described on line 12</b>	<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year	(2000) <u>0</u>	(1999) <u>0</u>	(1998) <u>0</u>	(1997) <u>0</u>
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals ) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year		(2000) <u>0</u>	(1999) <u>0</u>	(1998) <u>0</u>	(1997) <u>0</u>

<b>c</b> Add Amounts from column (e) for lines	15 <u>0</u> 16 <u>0</u>	<b>27c</b>	0
	17 <u>0</u> 20 <u>0</u> 21 <u>0</u>	<b>27d</b>	0
<b>d</b> Add Line 27a total	<u>0</u> and line 27b total <u>0</u>	<b>27e</b>	0
<b>e</b> Public support (line 27c total minus line 27d total)		<b>27f</b>	0
<b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e)		<b>27g</b>	0 00%
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))		<b>27h</b>	0 00%
<b>h</b> 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 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

**Part V Private School Questionnaire** (See page 7 of the instructions )  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

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

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions )

(To be completed ONLY by an eligible organization that filed Form 5768)

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

**Limits on Lobbying Expenditures**

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	0	0
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	0	0
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table -			
<b>If the amount on line 40 is -</b>	<b>The lobbying nontaxable amount is -</b>		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	}	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	0	0
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>	0	0
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>	0	0

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

**4 - Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
See the instructions for lines 45 through 50 on page 11 of the instructions )

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

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

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions )

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- 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 )

Yes	No	Amount
		0

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



**Schedule B**(Form 990, 990-EZ,  
or 990-PF)Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**Supplementary Information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

**2001**

Name of organization

SUNSTONE EDUCATION FOUNDATION INCORPORATED

Employer identification number

87-0683974

Organization type (check one)

**Filers of****Section**

Form 990 or 990-EZ

 501(c)( 3 ) (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation

Check if your organization is covered by the General rule or a Special rule (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule - see instructions )

**General Rule -** For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II )**Special Rules -** For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II ) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III ) For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year ) \$ \_\_\_\_\_

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization  
**SUNSTONE EDUCATION FOUNDATION INCORPORATED**

Employer identification number  
**87-0683974**

**Part I Contributors** (See Specific Instructions )

(a) No.	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 25,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution )

**SUNSTONE FOUNDATION INCORPORATED**

**51-0140135**

**OTHER EXPENSES**

		<u>PROGRAM</u>	<u>GENERAL</u>
BANK CHARGES	240 56		241
FEES	500		500
MEALS & ENTERTAINMENT	294 19	90	205
CONTRACT LABOR	2061 43	2,061	
REPAIRS	273 92	133	141
SOFTWARE	591 68	63	529

TOTAL

2,347	1,614
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**SUNSTONE FOUNDATION INCORPORATED**

**51-0140135**

**LIST OF DIRECTORS**

<u>First Name</u>	<u>MI</u>	<u>Last Name</u>	<u>Street</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
D Jeff		Burton	2974 S 900 E	Bountiful	UT	84067
	Title	Trustee	Compensation None			
Julie K		Curtis	451 San Vicente Blvd #18	Santa Monica	CA	90402-1725
	Title	Trustee	Compensation None			
Charlotte		England	1775 Andrus Ln	Provo	UT	84604-1870
	Title	Trustee	Compensation None			
Jordan Kimball		England	1372 Yale Ave	Salt Lake City	UT	84604-1870
	Title	Trustee	Compensation None			
Kim		McCall	1987 Euclid Ave	Menlo Park	CA	94025-2673
	Title	Trustee	Compensation None			
J Fredenck (Toby)		Pingree	2570 E 1300 S	Salt Lake City	UT	84108
	Title	Trustee	Compensation None			
J Bonner		Ritchie	1600 Oak Ln	Provo	UT	84604-2128
	Title	Trustee	Compensation None			
Mary Ellen		Robertson	1011 Alpine Villa Dr	Altadena	CA	91011
	Title	Trustee	Compensation None			
Michael J		Stevens	15447 Long Castle Forest Ct	Chesterfield	MO	63017-7447
	Title	Trustee	Compensation None			
Mark D		Thomas	1776 Holladay Blvd	Salt Lake City	UT	84124
	Title	Trustee	Compensation None			
Earl	M	Wunderli	8010 Hunters Meadow Cir	Sandy	UT	84093-6289
	Title	Trustee	Compensation None			
Daniel		Wotherspoon	184 Daniel Drive	Tooele	UT	84074-1597
	Title	Editor, Managing Director				
William		Stanford	1164 S 1300 E	Salt Lake City	UT	84105
	Title	Business Manager				