

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)

OMB No 1545-0047
2006
Open to Public Inspection

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

A For the 2006 calendar year, or tax year beginning 2006, **and ending** 20

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

C Name of organization
AMERICAN PACIFIC UNIVERSITY
 Number and street (or P O box if mail is not delivered to street address) Room/suite
615 PIIKOI STREET 501
 City or town, state or country, and ZIP + 4
HONOLULU, HI 96814

D Employer identification number
99-0317928

E Telephone number
(808) 596-7765

F Accounting method. Cash Accrual
 Other (specify) **▶**

G Website: **▶ www.ampac.edu**

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

K 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 **▶ 3,974,392**

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 **▶ N/A**

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

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

SCANNED OCT 15 2007	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	3,300,300		
	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 \$ _____ noncash \$ _____)	1e			3,300,300
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			630,512
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			
	5 Dividends and interest from securities	5			
	6a Gross rents	6a	14,605		
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c			14,605	
7 Other investment income (describe ▶ _____)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities	8a			
	(B) Other	8b			
	Less cost or other basis and sales expenses	8c	0	0	
	d Net gain or (loss) Combine line 8c, columns (A) and (B)	8d			0
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
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			0	
10a Gross sales of inventory, less returns and allowances	10a	28,975			
	b Less: cost of goods sold	10b	80,814		
c Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c			(51,839)	
11 Other revenue (from Part VII, line 103)	11			0	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			3,893,578	
Expenses	13 Program services (from line 44, column (B))	13		3,026,770	
	14 Management and general (from line 44, column (C))	14		263,408	
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			3,290,178
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		603,400	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		(448,675)	
	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			154,725

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	0			
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	0			
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	343,726	237,735	105,991	
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	0			
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0			
26	Salaries and wages of employees not included on lines 25a, b, and c	609,251	540,646	68,605	
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	99,835	83,241	16,594	
29	Payroll taxes	84,697	69,389	15,308	
30	Professional fundraising fees	0			
31	Accounting fees	4,418	612	3,806	
32	Legal fees	49,166	42,846	6,320	
33	Supplies	138,408	136,846	1,562	
34	Telephone	32,269	27,613	4,656	
35	Postage and shipping	68,890	68,217	673	
36	Occupancy	137,223	130,587	6,636	
37	Equipment rental and maintenance	29,701	28,540	1,161	
38	Printing and publications	44,101	44,101		
39	Travel	225,177	223,104	2,073	
40	Conferences, conventions, and meetings	220,671	220,671		
41	Interest	15,120		15,120	
42	Depreciation, depletion, etc. (attach schedule)	23,411	20,250	3,161	
43	Other expenses not covered above (itemize):				
a	SEE ATTACHED	1,164,114	1,152,372	11,742	
b		0			
c		0			
d		0			
e		0			
f		0			
g		0			
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	3,290,178	3,026,770	263,408	

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? ► <u>EDUCATIONAL INSTITUTION</u>	Program Service Expenses
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.)	(Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a <u>DEGREE CANDIDATES AND EDUCATIONAL SEMINARS</u>	
<u>240 ACTIVE STUDENTS AND 22 GRADUATE CANDIDATES</u>	

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,026,770
b _____	

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c _____	

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d _____	

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ►	3,026,770

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	17,177	45	483,973
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	375,311		
	b Less: allowance for doubtful accounts	0	1,105,589	47c 375,311
	48a Pledges receivable			
	b Less: allowance for doubtful accounts			48c 0
	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)			
	b Less: allowance for doubtful accounts			51c 0
	52 Inventories for sale or use	5,076	52	19,622
	53 Prepaid expenses and deferred charges	1,452	53	3,774
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b
	55a Investments—land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)			55c 0
	56 Investments—other (attach schedule)			56
	57a Land, buildings, and equipment: basis	125,840		
b Less: accumulated depreciation (attach schedule)	52,912	17,262	57c 72,928	
58 Other assets, including program-related investments (describe ► RENT/POSTAGE DEPOSITS)	4,952	58	12,646	
59 Total assets (must equal line 74). Add lines 45 through 58	1,151,508	59	968,254	
Liabilities	60 Accounts payable and accrued expenses	33,949	60	77,999
	61 Grants payable		61	
	62 Deferred revenue		62	
	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 ► SEE ATTACHED)	1,566,234	65	735,530
	66 Total liabilities. Add lines 60 through 65	1,600,183	66	813,529
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	(448,675)	67	154,725
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		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)	(448,675)	73	154,725
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,151,508	74	968,254

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 NOT AVAILABLE
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	
3 Recoveries of prior year grants	b3	
4 Other (specify): _____	b4	
Add lines b1 through b4	b	0
c Subtract line b from line a	c	0
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): _____	d2	
Add lines d1 and d2	d	0
e Total revenue (Part I, line 12). Add lines c and d ▶	e	0

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

a Total expenses and losses per audited financial statements		a NOT AVAILABLE
b Amounts included on line a but not on Part I, line 17:		
1 Donated services and use of facilities	b1	
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	0
c Subtract line b from line a	c	0
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): _____	d2	
Add lines d1 and d2	d	0
e Total expenses (Part I, line 17). Add lines c and d ▶	e	0

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 & deferred compensation plans	(E) Expense account and other allowances
SEE ATTACHED				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

		Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ <u>7</u>			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) . . .	75b	X	
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." ▶ If "Yes," attach a statement that includes the information described in the instructions.	75c	X	
d Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other 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.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information (See the instructions.)

		Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b If "Yes," enter the name of the organization ▶ <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a Enter direct and indirect political expenditures. (See line 81 instructions.) <u>0</u>	81a		
b Did the organization file Form 1120-POL for this year?	81b		X

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
	85a N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	85b N/A		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h N/A		
86	501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) orgs Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b N/A		
88a	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
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
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
	89b		
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
	89e		
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
	89f		
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?		X
	89g		
90a	List the states with which a copy of this return is filed ▶ CA		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		
	90b 24		
91a	The books are in care of ▶ ALEX BONILLA Telephone no. ▶ (808) 596-7765 Located at ▶ 615 PIIKOI ST STE 501 HONOLULU, HI ZIP + 4 ▶ 96814		
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 ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	91b	Yes	No
			X

Part VI Other Information (continued)

Yes	No
	X

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c**
 If "Yes," enter the name of the foreign country ▶ N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year . . . ▶ | **92** | N/A

Part VII Analysis of Income-Producing Activities (See 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 TUITION AND SEMINARS					630,512
b					
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			17	14,605	
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					(51,839)
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		14,605	578,673
105 Total (add line 104, columns (B), (D), and (E)) ▶					593,278

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).
93A	FEES FOR COLLEGE DEGREE CANDIDATES AND SEMINARS
102	SALE OF BOOKS AND RELATED LEARNING MATERIALS

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
NONE	%			
	%			
	%			

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).

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.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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.

9/21/07
 Signature of officer Date

Alexander Bonilla Treasurer
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature		Date	8-31-07	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst X)
Firm's name (or yours if self-employed), address, and ZIP + 4	HAROLD D SASAKI LTD CPA	EIN	99-0233623	Preparer's SSN or PTIN (See Gen Inst X)	519-52-3701
	201 MERCHANT ST #1910 HONOLULU HI 96813	Phone no	808-533-1807		

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

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

Name of the organization AMERICAN PACIFIC UNIVERSITY	Employer identification number 99-0317928
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE ATTACHED				
Total number of other employees paid over \$50,000 ▶		3		

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None.")

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

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 page 2 of the 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 ▶		0

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

Schedule A (Form 990 or 990-EZ) 2006

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line 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)? <small>SEE PART V-A FORM 990</small>	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?	N/A	
c Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
d Enter the total number of donor advised funds owned at the end of the tax year ▶		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		N/A
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 pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the 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 page 7 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 N/A

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶					26d
e Public support (line 26c minus line 26d total) ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c
d Add: Line 27a total _____ and line 27b total _____ ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . ▶ 27f					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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?	X	
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?	X	
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.) <u>SEE ATTACHED</u>		X
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	X	
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?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
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?		X
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.		X
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	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)

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

N/A

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

Limits on Lobbying Expenditures

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. N/A
See the instructions for lines 45 through 50 on page 13 of the instructions.)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

	Yes	No
51a(i)		<input checked="" type="checkbox"/>
a(ii)		<input checked="" type="checkbox"/>
b(i)		<input checked="" type="checkbox"/>
b(ii)		<input checked="" type="checkbox"/>
b(iii)		<input checked="" type="checkbox"/>
b(iv)		<input checked="" type="checkbox"/>
b(v)		<input checked="" type="checkbox"/>
b(vi)		<input checked="" type="checkbox"/>
c		<input checked="" type="checkbox"/>

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship

AMERICAN PACIFIC UNIVERSITY
2006 DEPRECIATION

No	Description	date	cost	Accum		method	life	%	2006	total	NVB
				Depr	NVB						
EQUIPMENT - acct #1420001											
37	Projector	10/1/01	4,551 80	4,289 68	262 12	200DB HY	5	0 0576	262 12	4,551 80	
38	Computer-sony	3/30/05	1,978 13	395 63	1,582 50	200DB HY	5	0 3200	633 00	1,028 63	949 50
39	Computer-sony	3/30/05	2,290 63	458 12	1,832 51	200DB HY	5	0 3200	733 00	1,191 12	1,099 51
40	Imac-computer server	3/28/05	2,322 95	464 59	1,858 36	200DB HY	5	0 3200	743 34	1,207 93	1,115 02
41	Imac computer	3/28/05	1,590 39	318 09	1,272 30	200DB HY	5	0 3200	508 92	827 01	763 38
42	Imac computer	3/28/05	1,388 31	277 66	1,110 65	200DB HY	5	0 3200	444 26	721 92	666 39
43	Apple laptop computer	3/28/05	1,957 06	391 41	1,565 65	200DB HY	5	0 3200	626 26	1,017 67	939 39
44	Imac computer	3/28/05	1,388 31	277 66	1,110 65	200DB HY	5	0 3200	444 26	721 92	666 39
45	EES software	3/30/05	10,000 00	3,333 01	6,666 99	200DB HY	5	0 3200	3,200 00	6,533 01	3,466 99
Balances 01/01/06			27,467 58	10,205 85	17,261 74	-	-	-	7,595 17	17,801 02	9,666 56
46	HP computer	1/1/06	1,722 46			200DB HY	5	0 2000	344 49	344 49	1,377 97
47	Sony Notebook Computer	1/1/06	2,092 59			200DB HY	5	0 2000	418 52	418 52	1,674 08
48	I Mac Computer-CC	1/1/06	1,693 22			200DB HY	5	0 2000	338 64	338 64	1,354 58
49	I Mac Computer	1/1/06	1,110 65			200DB HY	5	0 2000	222 13	222 13	888 52
50	I Mac Computer	1/1/06	1,110 65			200DB HY	5	0 2000	222 13	222 13	888 52
51	I Mac Computer	1/1/06	1,110 65			200DB HY	5	0 2000	222 13	222 13	888 52
52	Projector, XGA U5-632	1/1/06	1,661 17			200DB HY	5	0 2000	332 23	332 23	1,328 94
53	Projector, XGA U5-632	1/1/06	1,661 17			200DB HY	5	0 2000	332 23	332 23	1,328 94
54	notebok Computer-hitachi	1/1/06	2,143 14			200DB HY	5	0 2000	428 63	428 63	1,714 51
55	I Mac Computer-CC	1/1/04	-			200DB HY	5	0 2000	-	-	-
56	Sony Computer	1/31/06	3,556 27			200DB HY	5	0 2000	711 25	711 25	2,845 02
57	Lenovo computer	5/31/06	3,891 67			200DB HY	5	0 2000	778 33	778 33	3,113 34
58	Video Camera	6/30/06	2,849 99			200DB HY	5	0 2000	570 00	570 00	2,279 99
59	Phone system	6/30/06	31,106.15			200DB HY	5	0 2000	6,221 23	6,221 23	24,884 92
60	I Mac Computer-white	7/30/06	1,285 46			200DB HY	5	0 2000	257 09	257 09	1,028 37
61	I Mac Computer-white	7/30/06	1,285 46			200DB HY	5	0 2000	257 09	257 09	1,028 37
62	I Mac Computer-white	7/30/06	1,285 45			200DB HY	5	0 2000	257 09	257 09	1,028 36
63	I Mac -Notebook comp	8/15/06	3,396 58			200DB HY	5	0 2000	679 32	679 32	2,717 26
64	I Mac -Notebook comp	9/20/06	2,093 20			200DB HY	5	0 2000	418 64	418 64	1,674 56
65	HP Printer-CN6X651541	9/28/06	1,770 83			200DB HY	5	0 2000	354 17	354 17	1,416 66
66	HP Printer-CN6X651541	9/28/06	1,770 82			200DB HY	5	0 2000	354 16	354 16	1,416 66
67	Canon Powershop camera	10/27/06	755 18			200DB HY	5	0 2000	151 04	151 04	604 14
69	I mac computer	12/14/06	1,779 10			200DB HY	5	0 2000	355 82	355 82	1,423 28
70	apple computer	11/24/06	3,315 41			200DB HY	5	0 2000	663 08	663 08	2,652 33
71	apple computer	11/12/06	3,180 05			200DB HY	5	0 2000	636 01	636 00	2,544 05
Additions			77,627 32	-	-	-	-	-	15,525 46	15,525 45	62,101 87
Balances 12/31/2006			105,094 91	10,205 85	17,261 74	-	-	-	23,120 64	33,326 48	71,768 43
FURNITURE & FIXTURES - acct # 1410001											
17	refrigerator	5/31/00	419 99	419 99	-	200DB HY	5	0 0576	-	419 99	
18	mgr & exec chairs	5/31/00	405 97	405 97	-	200DB HY	5	0 0576	-	405 97	
19	8 bookcases	5/31/00	900 00	900 00	-	200DB HY	5	0 0576	-	900 00	
20	3 file drawers	5/31/00	1,462 50	1,462 50	-	200DB HY	5	0 0576	-	1,462 50	
21	2 desks	5/31/00	2,500 01	2,500 01	-	200DB HY	5	0 0576	-	2,500 01	
22	conference table	5/31/00	3,123 97	3,123 97	-	200DB HY	5	0 0576	-	3,123 97	
25	desk	7/7/00	956 24	956 24	-	200DB HY	5	0 0576	-	956 24	
26	filing cabinet	7/7/00	1,374 94	1,374 94	-	200DB HY	5	0 0576	-	1,374 94	
30	sofas (3)	9/29/00	1,220 16	1,220 16	-	200DB HY	5	0 0576	-	1,220 16	
31	framed prints	9/29/00	6,931 42	6,931 42	-	200DB HY	5	0 0576	-	6,931 42	
Balances 01/01/06			19,295 20	19,295 20	-	-	-	-	-	19,295 20	-
68	Auralex Maxwell	10/3/06	1,449 99		1,449 99	200DB HY	5	0 2000	290 00	290 00	1,159 99
Additions- 2006			1,449 99	-	1,449 99	-	-	-	290 00	290 00	1,159 99
TOTAL-F & F			20,745 19	19,295 20	1,449 99	-	-	-	290 00	19,585 20	1,159 99

AMERICAN PACIFIC UNIVERSITY
 YEAR 12/31/06
 99-0317928

FORM 990, PART II, LINE 43

	<u>(A) Total</u>	<u>(B) Program services</u>	<u>(C) Mgt and general</u>	<u>(D) Fundraising</u>
Administration expense	145,276	142,673	2,603	
Insurance	14,411	7,141	7,270	
Internet expense	24,079	22,488	1,591	
Advertising	583,724	583,724		
Accreditation	8,043	8,043		
Professional fees	73,787	73,787		
Bank & credit card fees	33,556	33,556		
Referral fees	189,108	189,108		
Moving expense	3,005	3,005		
Paper grading	6,680	6,680		
Research & development	80,470	80,470		
Storage	1,975	1,697	278	
	<u>1,164,114</u>	<u>1,152,372</u>	<u>11,742</u>	<u>0</u>

FORM 990, PART IV, LINE 65

	<u>Beginning of Year</u>	<u>End of Year</u>
Loan from Advanced Neuro Dynamics	1,515,619	0
Customer deposits	50,615	735,530
	<u>1,566,234</u>	<u>735,530</u>

AMERICAN PACIFIC UNIVERSITY
 YEAR 12/31/06
 99-0317928

FORM 990, PART V-A

(A) Name and address	(B) Title/Hours	(C) Compensation	(D) Employee Benefits	(E) Expense Account
Valerie Galey 5824 Comanche Drive San Jose, CA 95123	Chairman 16 hrs	0	0	0
Matthew James 75-370 Nani Kailua Drive Kailua-Kona, HI 96740	President 40hrs	141,833	0	0
Nancy Moreno-Derks, LMFT 1899 West Main Suite K El Centro, CA 92243	Vice Pres 40hrs	80,333	0	0
Soomi James 75-370 Nani Kailua Drive Kailua-Kona, HI 96740	Vice Pres 40hrs	67,368		
Sheila Wallace 8 Chemin Welka Chelsea, Quebec J9B 1E9 Canada	Secretary 16 hrs	0	0	0
Judy Kameoka 2244 Madison Avenue Baltimore, MD 21217	Director 16 hrs	0	0	0
Alex Bonilla 734 Ainapo Street Honolulu, HI 96825	Treasurer 40hrs	53,691	0	0

AMERICAN PACIFIC UNIVERSITY
YEAR 12/31/06
99-0317928

FORM 990, PART V-A, QUESTION 75b

Matthew James (Pres) and Soomi James (VP) are husband and wife

FORM 990, PART V-A, QUESTION 75c

Matthew James is the sole shareholder of Advanced Neuro Dynamics Inc ID#99-0218916, a for profit corporation. Advanced Neuro Dynamics Inc rents space and shares equipment with American Pacific University. Advanced Neuro Dynamics Inc sells education tapes and training materials.

(A) Name and address	(B) Title/Hours	(C) Compensation	(D) Employee Benefits	(E) Expense Account
Matthew James 75-370 Nani Kailua Drive Kailua-Kona, HI 96740	President 20 hrs	68,500	0	0

AMERICAN PACIFIC UNIVERSITY
 YEAR 12/31/06
 99-0317928

FORM 990, SCHEDULE A PART I

(A) Name and address	(B) Title/Hours	(C) Compensation	(D) Employee Benefits	(E) Expense Account
Alexander Docker 815 Columbia St Cathlamet WA 98612	Dean of Students 40 hrs	70,416	0	0
Shaler Pierce 1114 Blue Jay Dr Aubrey TX 76227	Trainer 40hrs	86,133	0	0
Carina Foti 7422 Residencia St New Port Beach, CA 92660	Marketing Manager 40hrs	72,860	0	0

FORM 990, SCHEDULE A PART III, QUESTION 2

American Pacific University rents/shares facilities and equipment with Advanced Neuro Dynamics Inc which is owned by Matthew James. An outstanding note payable at the beginning of the year from Advanced Neuro Dynamics Inc was paid off during the current year.

FORM 990, SCHEDULE A PART V, QUESTION 31

American Pacific University (APU) has not published its nondiscrimination policy in a newspaper of general circulation serving the racial segments of the community because of the correspondence nature of the institution and the wide geographic disbursement of APU's current and prospective student body.

Under Rev. Proc. 75-50, 1975-2 C.C. 587, Section 4, Subsection 03 2(b), "If a school customarily draws a substantial percentage of its students nationwide or worldwide or from a large geographic section or sections of the United States and follows a racially nondiscriminatory policy as to students, the publicity requirement may be satisfied by complying with Section 4 02, supra. Such a school may demonstrate that it follows a racially nondiscriminatory policy within the meaning of the preceding sentence either by showing that it currently enrolls students of racial minority groups in meaningful numbers or, when minority students are not enrolled in meaningful numbers, that its promotional activities and recruiting efforts in each geographic area were reasonably designed to inform students of all racial segments in the general communities within the area of the availability of the school."

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

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

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

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

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

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

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization AMERICAN PACIFIC UNIVERSITY	Employer identification number 99-0317928
	Number, street, and room or suite no If a P.O. box, see instructions C/O HAROLD D SASAKI LTD CPA, 733 BISHOP STREET STE 1270	
	City, town or post office, state, and ZIP code For a foreign address, see instructions HONOLULU, HI 96813	

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

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

● The books are in the care of ▶ **HAROLD D SASAKI LTD CPA**

Telephone No. ▶ **808-533-1807**

FAX No. ▶ **808-536-6176**

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

1 I request an automatic 3-month (6 months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until AUGUST 15, 2007, to file the exempt organization return for the organization named above The extension is for the organization's return for.

▶ calendar year 2006 or

▶ tax year beginning _____, 20____, and ending _____, 20____

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

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

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

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

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

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

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	Number, street, and room or suite no. If a P O box, see instructions.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	

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

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

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

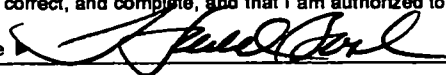
- The books are in the care of Telephone No. FAX No
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this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

- I request an additional 3-month extension of time until _____, 20__
- For calendar year _____, or other tax year beginning _____, 20__, and ending _____, 20__
- If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period
- State in detail why you need the extension _____

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

Signature and Verification

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

Signature  Title **CPA/AGENT** Date **5/11/2007**

Notice to Applicant. (To Be Completed by the IRS)

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

Director _____ By _____ Date _____

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

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

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

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

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization AMERICAN PACIFIC UNIVERSITY	Employer identification number 99 0317928
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O HAROLD D SASAKI LTD CPA, 201 MERCHANT ST STE 1910	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. HONOLULU, HI 96813	

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

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

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


- The books are in the care of **HAROLD D SASAKI LTD CPA**
Telephone No. **(808) 533-1807** FAX No. **(808) 536-6176**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **NOVEMBER 15**, 20 **07**.
- 5 For calendar year **2006**, or other tax year beginning _____, 20____, and ending _____, 20_____.
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension _____
ALL INFORMATION REQUIRED TO COMPLETE THE RETURN IS NOT YET AVAILABLE.

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

Signature and Verification

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

Signature  Title **CPA/AGENT** Date **08/10/2007**

Notice to Applicant. (To Be Completed by the IRS)

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

Director _____ By _____ Date _____

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

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