

Return of Organization Exempt From Income Tax

2001

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

A For the 2001 calendar year, or tax year period beginning JUL 1, 2001 and ending JUN 30, 2002

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: MEMPHIS OPPORTUNITY SCHOLARSHIP TRUST, INC. D Employer identification number: 62-1723618. E Telephone number: 901-767-7005. F Accounting method: X Cash, Accrual.

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? Yes X No. H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? N/A Yes No. H(d) Is this a separate return filed by an organization covered by a group ruling? Yes X No.

G Web site N/A

J Organization type (check only one) X 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.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 1,231,864.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received (825,747); 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments (15,475); 5 Dividends and interest from securities (163,984); 6a Gross rents; 6b Less rental expenses; 6c Net rental income; 7 Other investment income; 8a Gross amount from sale of assets other than inventory (204,658); 8b Less cost or other basis and sales expenses (204,658); 8c Gain or (loss); 8d Net gain or (loss) (STMT 1); 9a Gross revenue (94,444); 9b Less direct expenses; 9c Net income or (loss) from special events (-9,194); 10a Gross profit or (loss) from sales of inventory; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue (996,012); 13 Program services (520,363); 14 Management and general (82,543); 15 Fundraising (14,613); 16 Payments to affiliates; 17 Total expenses (617,519); 18 Excess or (deficit) for the year (378,493); 19 Net assets or fund balances at beginning of year (3,817,502); 20 Other changes in net assets or fund balances (SEE STATEMENT 3); 21 Net assets or fund balances at end of year (3,903,151).

SCANNED SEP 18 2002 433

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MEMPHIS OPPORTUNITY SCHOLARSHIP

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

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 \$ _____	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25 55,667.	0.	46,778.	8,889.
26 Other salaries and wages	26 39,109.	36,458.		2,651.
27 Pension plan contributions	27			
28 Other employee benefits	28 8,299.		8,299.	
29 Payroll taxes	29 7,605.	2,763.	3,737.	1,105.
30 Professional fundraising fees	30			
31 Accounting fees	31 5,632.		5,632.	
32 Legal fees	32			
33 Supplies	33 2,905.		2,905.	
34 Telephone	34			
35 Postage and shipping	35 2,552.		2,552.	
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39 814.			814.
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation depletion, etc (attach schedule)	42			
43 Other expenses not covered above (itemize)				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 4	43e 494,936.	481,142.	12,640.	1,154.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	44 617,519.	520,363.	82,543.	14,613.

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

What is the organization's primary exempt purpose? **SEE STATEMENT 5**

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 PROVIDE EDUCATIONAL OPPORTUNITIES AND ASSISTANCE TO CHILDREN WHO ARE UNABLE TO ACHIEVE THE SAME OR HAVE DIFFICULTY DOING SO FOR FINANCIAL REASONS.	(Grants and allocations \$ _____)	520,363.
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)		520,363.

MEMPHIS OPPORTUNITY SCHOLARSHIP

Part IV Balance Sheets

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	3,088.	45	18,565.	
	46 Savings and temporary cash investments	632,704.	46	685,747.	
	47 a Accounts receivable	47a			
	b Less allowance for doubtful accounts	47b	47c		
	48 a Pledges receivable	48a			
	b Less allowance for doubtful accounts	48b	48c		
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees		50		
	51 a Other notes and loans receivable	51a			
	b Less allowance for doubtful accounts	51b	153,654.	51c	
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges		53		
	54 Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		3,028,056.	54	3,198,839.
	55 a Investments - land, buildings, and equipment basis	55a			
b Less accumulated depreciation	55b		55c		
56 Investments - other			56		
57 a Land, buildings, and equipment basis	57a				
b Less accumulated depreciation	57b		57c		
58 Other assets (describe <input type="checkbox"/>)			58		
59 Total assets (add lines 45 through 58) (must equal line 74)		3,817,502.	59	3,903,151.	
Liabilities	60 Accounts payable and accrued expenses		60		
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable		64b		
	65 Other liabilities (describe <input type="checkbox"/>)			65	
66 Total liabilities (add lines 60 through 65)		0.	66	0.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted	598,091.	67	445,723.	
	68 Temporarily restricted	3,219,411.	68	3,457,428.	
	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, column (B) must equal line 21)		3,817,502.	73	3,903,151.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		3,817,502.	74	3,903,151.	

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.

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Form 990 (2001)

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return
a Total revenue, gains, and other support per audited financial statements ▶ a 311,972.	a Total expenses and losses per audited financial statements ▶ a 621,279.
b Amounts included on line a but not on line 12, Form 990 <ul style="list-style-type: none"> (1) Net unrealized gains on investments \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants \$ _____ (4) Other (specify) \$ _____ Add amounts on lines (1) through (4) ▶ b 0.	b Amounts included on line a but not on line 17, Form 990 <ul style="list-style-type: none"> (1) Donated services and use of facilities \$ _____ (2) Prior year adjustments reported on line 20, Form 990 \$ _____ (3) Losses reported on line 20, Form 990 \$ _____ (4) Other (specify) STMT 7 \$ 3,760. Add amounts on lines (1) through (4) ▶ b 3,760.
c Line a minus line b ▶ c 311,972.	c Line a minus line b ▶ c 617,519.
d Amounts included on line 12, Form 990 but not on line a <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify) STMT 8 \$ 684,040. Add amounts on lines (1) and (2) ▶ d 684,040.	d Amounts included on line 17, Form 990 but not on line a <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify) \$ _____ Add amounts on lines (1) and (2) ▶ d 0.
e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 996,012.	e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 617,519.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(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	(E) Expense account and other allowances
H. LANCE FORSDICK 850 RIDGE LAKE BLVD., SUITE 300 MEMPHIS, TN 38120		0.	0.	0.
REV. COLENZO HUBBARD 604 ST PAUL AVE MEMPHIS, TN 38126		0.	0.	0.
MIKE MCDONNELL PO BOX 3177 MEMPHIS, TN 38173		0.	0.	0.
BOB SOLMSON 850 RIDGE LAKE BLVD., SUITE 300 MEMPHIS, TN 38120	CHAIRMAN	0.	0.	0.
C. THOMAS WHITMAN 6077 PRIMACY PKWY., SUITE 228 MEMPHIS, TN 38119		0.	0.	0.
TRENT D. WILLIAMSON 168 JEFFERSON AVE. MEMPHIS, TN 38103		0.	0.	0.
BEATRICE HUSSEY 177 ST ANDREWS FAIRWAY MEMPHIS, TN 38117		0.	0.	0.
EMILY WOODSIDE 624 S. WILLETT ST. MEMPHIS, TN 38104		0.	0.	0.
GAYLE BARNWELL 850 RIDGE LAKE BLVD., SUITE 300 MEMPHIS, TN 38120	EXECUTIVE DIRECTOR 40 HRS / WEEK	55,667.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes" attach schedule Yes No Form 990 (2001)

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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	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
78 a	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
80 a	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 <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt	81a	0.
81 a	Enter direct or indirect political expenditures See line 81 instructions	81b	X
b	Did the organization file Form 1120-POL for this year?	82a	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82b	
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)	83a	X
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83b	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	84a	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84b	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	85a	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85b	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	85c	N/A
c	Dues, assessments and similar amounts from members	85d	N/A
d	Section 162(e) lobbying and political expenditures	85e	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85f	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85g	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85h	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	86a	N/A
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86b	N/A
b	Gross receipts, included on line 12, for public use of club facilities	87a	N/A
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87b	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)	88	X
88	At any time during the year did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	89a	0., section 4912 0., section 4955 0.
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911	89b	X
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		0.
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		
90 a	List the states with which a copy of this return is filed	90b	2
b	Number of employees employed in the pay period that includes March 12, 2001		

91 The books are in care of **ROBERT M. SOLMSON** Telephone no **901-767-7005**
 Located at **850 RIDGE LAKE BLVD., SUITE 300** ZIP + 4 **38120**

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

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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) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a _____					
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			14	15,475.	
96 Dividends and interest from securities			14	163,984.	
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					-9,194.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B) (D), and (E))		0.		179,459.	-9,194.
105 Total (add line 104, columns (B), (D), and (E))					170,265.

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)
	THE GOLF TOURNAMENT SPONSORED BY MOST ALLOWED THE ORGANIZATION TO GAIN VALUABLE CONTACTS AND RECEIVE DONATIONS FROM INDIVIDUALS IN THE COMMUNITY WHO ARE POSSIBLE FUTURE CONTRIBUTORS.

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
N/A	%			
	%			
	%			
	%			

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

I am preparing this return and accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete information of which preparer has any knowledge

6-02 **Gayle M BARNWELL**
Executive Director

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2001

Name of the organization **MEMPHIS OPPORTUNITY SCHOLARSHIP TRUST, INC.**

Employer identification number
62 1723618

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

MEMPHIS OPPORTUNITY SCHOLARSHIP

Schedule A (Form 990 or 990-EZ) 2001 TRUST, INC.

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below)	3	X
4 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

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

Schedule A (Form 990 or 990-EZ) 2001

MEMPHIS OPPORTUNITY SCHOLARSHIP

Schedule A (Form 990 or 990-EZ) 2001 TRUST, INC.

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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
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	498,688.	3,225,717.	212,050.	416,838.	4,353,293.
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	236,618.	54,191.	4,580.	3,035.	298,424.
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.	402,769.	40,306.	SEE STATEMENT 9		443,075.
23 Total of lines 15 through 22	1,138,075.	3,320,214.	216,630.	419,873.	5,094,792.
24 Line 23 minus line 17	1,138,075.	3,320,214.	216,630.	419,873.	5,094,792.
25 Enter 1% of line 23	11,381.	33,202.	2,166.	4,199.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (a) line 24				26a 101,896.
	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.				26b 1,047,011.
	c Total support for section 509(a)(1) test. Enter line 24, column (a).				26c 5,094,792.
	d Add Amounts from column (a) for lines	18 298,424.	19	26b 1,047,011.	26d 1,788,510.
		22 443,075.			26e 3,306,282.
	e Public support (line 26c minus line 26d total)				26f 64.8953%
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				N/A
	(2000)	(1999)	(1998)	(1997)	
	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.				N/A
	(2000)	(1999)	(1998)	(1997)	
	c Add Amounts from column (a) for lines	15 _____	16 _____		27c N/A
		17 _____	20 _____	21 _____	27d N/A
	d Add Line 27a total	and line 27b total			27e N/A
	e Public support (line 27c total minus line 27d total)				
	f Total support for section 509(a)(2) test. Enter amount on line 23, column (a).				27f N/A
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g N/A %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h N/A %

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.

NONE

MEMPHIS OPPORTUNITY SCHOLARSHIP

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 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

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

- (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.

N/A

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions and sharing arrangements.

52 a 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 (X) No

b If "Yes" complete the following schedule N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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

MEMPHIS OPPORTUNITY SCHOLARSHIP
TRUST, INC.

Employer identification number

62-1723618

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)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization
**MEMPHIS OPPORTUNITY SCHOLARSHIP
 TRUST, INC.**

Employer identification number
62-1723618

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 63,375.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
5		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
6		\$ 200,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization
**MEMPHIS OPPORTUNITY SCHOLARSHIP
 TRUST, INC.**

Employer identification number
62-1723618

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	_____ _____ _____	\$ <u>20,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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)

Name of organization MEMPHIS OPPORTUNITY SCHOLARSHIP TRUST, INC.	Employer identification number 62-1723618
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Part II Noncash Property (See Specific Instructions)

(a) No from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
4	2000 SHARES NBC STOCK	\$ 55,012.	03/25/02
5	10000 SHARES OF HILTON HOTELS CORP STOCK	\$ 116,620.	02/27/02
8	316 SHARES OF FANNIE MAE	\$ 24,439.	09/14/01
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	1
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
10000 SHARES OF HILTON HOTEL	116,620.	116,620.	0.	0.	
97.3 SHARES MFS MASS	1,562.	1,562.	0.	0.	
2000 SHARES OF NBC	55,012.	55,012.	0.	0.	
701.02 SHARES OF AIM VALUE FUND	7,025.	7,025.	0.	0.	
316 SHARES FANNIE MAE	24,439.	24,439.	0.	0.	
TO FORM 990, PART I, LINE 8	204,658.	204,658.	0.	0.	

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	2
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
MOST GOLF CLASSIC	116,444.	94,444.	22,000.	31,194.	-9,194.	
TO FM 990, PART I, LINE 9	116,444.	94,444.	22,000.	31,194.	-9,194.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES		STATEMENT	3
DESCRIPTION	AMOUNT			
UNREALIZED LOSS ON INVESTMENTS HELD AT MARKET VALUE	-292,844.			
TOTAL TO FORM 990, PART I, LINE 20	-292,844.			

FORM 990	OTHER EXPENSES			STATEMENT	4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
MARKETING	1,154.			1,154.	
SCHOLARSHIPS	421,255.	421,255.			
MISCELLANEOUS DUES AND SUBSCRIPTIONS	20,966.	9,887.	11,079.		
BANK CHARGES	1,329.		1,329.		
	232.		232.		
GRANT RESEARCH	50,000.	50,000.			
TOTAL TO FM 990, LN 43	494,936.	481,142.	12,640.	1,154.	

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	5
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EXPLANATION

PROVIDE EDUCATIONAL OPPORTUNITIES AND ASSISTANCE TO CHILDREN WHO ARE UNABLE TO ACHIEVE THE SAME OR HAVE DIFFICULTY DOING SO FOR FINANCIAL REASONS.

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT	6
SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES	
INVESTMENTS			3,198,839.		3,198,839.	
TO 990, LN 54 COL B			3,198,839.		3,198,839.	

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	7
DESCRIPTION		AMOUNT	
ACCRUED EXPENSES AT CUURENT YEAR END		3,760.	
TOTAL TO FORM 990, PART IV-B		3,760.	

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	8
DESCRIPTION		AMOUNT	
GAAP VS. TAX BASIS CURRENT YEAR		-1,154,264.	
GAAP VS. TAX BASIS PRIOR YEAR		1,545,460.	
UNREALIZED LOSS ON INVESTMENTS		292,844.	
TOTAL TO FORM 990, PART IV-A		684,040.	

SCHEDULE A	OTHER INCOME			STATEMENT	9
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	
UNREALIZED GAINS ON INVESTMENTS	402,769.	40,306.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	402,769.	40,306.	0.	0.	

MEMPHIS OPPORTUNITY SCHOLARSHIP TRUST, INC
62-1723618
SCHEDULE A, PART III, LINE 2 (C)
JUNE 30, 2002

**BOARD OF DIRECTORS, BOB SOLMSON AND H LANCE FORSDICK PROVIDED RENT FREE OFFICE SPACE TO
THE ORGANIZATION FOR THE YEAR ENDED JUNE 30, 2002**