

Return of Organization Exempt from Income Tax

2002

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2002 calendar year, or tax year beginning **July 1**, 2002, and ending **June 30**, 2003.

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

Please use
IRS label
or print
or type
See
specific
instruc-
tions

THE PRENTICE SCHOOL
18341 LASSEN STREET
SANTA ANA, CA 92705

D Employer Identification Number
33-0120257

E Telephone number
(714) 538-4511

F Accounting method Cash Accrual
 Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes No

H (b) If Yes enter number of affiliates _____

H (c) Are all affiliates included? Yes No
(If No, attach a list See instructions)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN _____

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

G Web site _____

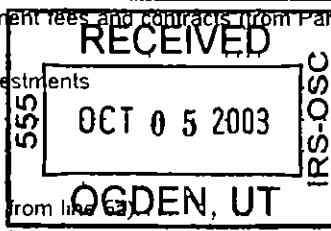
J Organization type (check only one) 501(c) **3** (insert no.) 4947(a)(1) or 527

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12

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

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	231,430		
b	Indirect public support	1b	1,093		
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		232,523	
2	Program service revenue including government fees and contracts from Part VII, line 93)	2		3,457,240	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		18,559	
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	125,373	8a		
c	Gain or (loss) (attach schedule)	123,776	8b		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	1,597	8c		
8d				1,597	
9	Special events and activities (attach schedule)				
a	Gross revenue (not including \$ 44,023 of contributions reported on line 1a)	9a	108,956		
b	Less direct expenses other than fundraising expenses	9b	81,819		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		27,137	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11		3,726	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c and 11)	12		3,740,782	
13	Program services (from line 44, column (B))	13		3,040,204	
14	Management and general (from line 44, column (C))	14		487,888	
15	Fundraising (from line 44, column (D))	15		224,687	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		3,752,779	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		(11,997)	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		6,476,247	
20	Other changes in net assets or fund balances (attach explanation) Unrealized gain	20		19,238	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		6,483,488	



SCANNED OCT 08 2003

NET ASSETS

22

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 (att sch) (cash \$ non cash \$ <u>283,265</u>)	22 283,265	283,265		
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 107,218	53,609	26,805	26,804
26 Other salaries and wages	26 1,911,762	1,534,218	222,361	155,183
27 Pension plan contributions	27 97,263	77,810	19,453	
28 Other employee benefits	28 212,040	169,632	42,408	
29 Payroll taxes	29 160,891	128,713	32,178	
30 Professional fundraising fees	30			
31 Accounting fees	31 29,695		29,695	
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34 10,691	8,018	2,673	
35 Postage and shipping	35			
36 Occupancy	36 172,991	155,692	17,299	
37 Equipment rental and maintenance	37 15,297	11,472	3,825	
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40 3,254		3,254	
41 Interest	41			
42 Depreciation, depletion etc (attach schedule)	42 161,675	145,508	16,167	
43 Other expenses not covered above (itemize)				
a See Statement 1	43a 586,737	472,267	71,770	42,700
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) (D), carry these totals to lines 13-15	44 3,752,779	3,040,204	487,888	224,687

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? School for children with dyslexia	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>Tuition operation of school</u> ----- ----- ----- (Grants and allocations \$ _____)	2,827,390
b <u>Auxiliary activities</u> ----- ----- ----- (Grants and allocations \$ _____)	212,814
c ----- ----- (Grants and allocations \$ _____)	
d ----- ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	3,040,204

Part IV Balance Sheets (See Instructions)

				(A)		(B)
				Beginning of year		End of year
ASSETS	45	Cash — non interest-bearing		200	45	200
	46	Savings and temporary cash investments		571,993	46	744,502
	47 a	Accounts receivable	87,969	82,903	47 c	62,956
	47 b	Less allowance for doubtful accounts	25,013			
	48 a	Pledges receivable	40,168	145,000	48 c	32,168
	48 b	Less allowance for doubtful accounts	8,000			
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51 a	Other notes & loans receivable (attach sch)			51 c	
	51 b	Less allowance for doubtful accounts				
	52	Inventories for sale or use		502	52	320
	53	Prepaid expenses and deferred charges		9,993	53	28,113
	54	Investments — securities (attach schedule)		491,211	54	528,170
			<input type="checkbox"/> Cost <input type="checkbox"/> FMV			
	55 a	Investments — land, buildings, & equipment basis			55 c	
55 b	Less accumulated depreciation (attach schedule)					
56	Investments — other (attach schedule)			56		
57 a	Land, buildings, and equipment basis	6,391,692	5,940,889	57 c	5,811,462	
57 b	Less accumulated depreciation (attach schedule)	(580,230)				
58	Other assets (describe ▶ _____)		13,124	58	17,293	
59	Total assets (add lines 45 through 58) (must equal line 74)		7,255,815	59	7,225,184	
LIABILITIES	60	Accounts payable and accrued expenses		200,132	60	250,405
	61	Grants payable			61	
	62	Deferred revenue		579,436	62	491,291
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63	
	64 a	Tax exempt bond liabilities (attach schedule)			64 a	
	64 b	Mortgages and other notes payable (attach schedule)			64 b	
	65	Other liabilities (describe ▶ _____)			65	
	66	Total liabilities (add lines 60 through 65)		779,568	66	741,696
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		5,842,946	67	5,844,915
	68	Temporarily restricted		160,490	68	147,415
	69	Permanently restricted		472,811	69	491,158
	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 59, column (B) must equal line 21)		6,476,247	73	6,483,488
	74	Total liabilities and net assets/fund balances (add lines 66 and 73)		7,255,815	74	7,225,184

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.

BAA

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

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	3,487,501
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ 19,239		
(2)	Donated services and use of facilities \$ 10,745		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	b	29,984
c	Line a minus line b	c	3,457,517
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) Adj. for scholarships \$ 283,265		
	Add amounts on lines (1) and (2)	d	283,265
e	Total revenue per line 12, Form 990 (line c plus line d)	e	3,740,782

a	Total expenses and losses per audited financial statements	a	3,480,260
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$ 10,745		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	b	10,745
c	Line a minus line b	c	3,469,515
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) Adj. for scholarships \$ 283,265		
	Add amounts on lines (1) and (2)	d	283,265
e	Total expenses per line 17, Form 990 (line c plus line d)	e	3,752,780

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
See Attachment 3				

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? Yes No
 If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)

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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
78b	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
81a	Enter direct or indirect political expenditures See line 81 instructions	81a		
81b	Did the organization file Form 1120-POL for this year?	81b		X
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?	82a	X	
82b	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	10,745	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		n/a
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a		n/a
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		n/a
85c	Dues, assessments, and similar amounts from members	85c	n/a	
85d	Section 162(e) lobbying and political expenditures	85d	n/a	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	n/a	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	n/a	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
85h	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		
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	n/a	
86b	Gross receipts, included on line 12, for public use of club facilities	86b	n/a	
87a	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	n/a	
87b	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	
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	88		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-			
89b	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	89b		X
89c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0
89d	Enter Amount of tax on line 89c, above, reimbursed by the organization			0
90a	List the states with which a copy of this return is filed ▶ California			
90b	Number of employees employed in the pay period that includes March 12, 2008 (See instructions)	90b	57	
91	The books are in care of ▶ Barbara J. Dove, CPA Telephone number ▶ (949) 474-1040 Located at ▶ 19700 Fairchild Road, Suite 300, Irvine, CA ZIP + 4 ▶ 92612-2515			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			

Part VII Analysis of Income-Producing Activities (See 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 & fees					3,248,323
b Auxiliary activities					208,917
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	18,559	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	1,597	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a Misc. income			01	3,726	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				23,882	3,457,240
105 Total (add line 104, columns (B), (D), and (E))					3,481,122

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 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 charged for tuition - main exempt purpose
93b	Miscellaneous auxiliary services (i.e. after school care, testing, tutoring, speech and language)

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	%			
	%			
	%			
	%			

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

Under penalties of perjury I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please *[Signature]*

[Signature]
Date

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 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

2002

Name of the organization

THE PRENTICE SHOOL

Employer identification number

33-0120257

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

(See instructions List each one If there are none, enter 'None ')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
See Statement 7				
Total number of other employees paid over \$50,000 ▶				

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

(See instructions List each one (whether individuals or firms) If there are none, enter 'None ')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line 1 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		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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?	X	
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below.)	X	
4 Do you have a section 403(b) annuity plan for your employees?	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 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 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 instructions)

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

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

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(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					26 a
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 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26 b
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26 c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26 b _____					26 d
e Public support (line 26c minus line 26d total)					26 e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26 f %
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.					
(2001) _____ (2000) _____ (1999) _____ (1998) _____					
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.					
(2001) _____ (2000) _____ (1999) _____ (1998) _____					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27 c
d Add: Line 27a total _____ and line 27b total _____					27 d
e Public support (line 27c total minus line 27d total)					27 e
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27 f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27 g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27 h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

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

	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>Advertisements contain the statement "Qualified students are accepted regardless of race, creed or ethnic origin."</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
f 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 instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
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
 See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI A) (See instructions)

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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount

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

**Depreciation and Amortization
(Including Information on Listed Property)**

2002

67

Department of the Treasury
Internal Revenue Service

▶ See separate instructions
▶ Attach to your tax return

Name(s) shown on return

THE PRENTICE SCHOOL

Identifying number

33-0120257

Business or activity to which this form relates

Form 990/990-PF

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See instructions for a higher limit for certain businesses	1	\$24,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter 0 If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003 Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	161,675

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5 year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12 year			12 yrs		S/L	
c 40 year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instructions	22	161,675
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If 'Yes,' is the evidence written?					Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost					
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)									25				
26 Property used more than 50% in a qualified business use (see instructions)													
27 Property used 50% or less in a qualified business use (see instructions)													
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1										28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1											29		

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (see instructions) Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see instructions)					
43 Amortization of costs that began before your 2002 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report.					44

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257/1347829

Statement 1

FEDERAL - Form 990, Page 2, Part II

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
Other expenses				
Advertising	\$ 37,766	\$ ---	\$ 37,766	\$ ---
Bad debts	42,000	12,000	---	30,000
Board meeting expense	4,879	---	4,879	---
Classrooms equip under \$1,000	1,563	1,563	---	---
Curriculum expenses	73,923	73,923	---	---
Development expense	12,700	---	---	12,700
Education	10,800	10,800	---	---
Insurance	26,721	24,049	2,672	---
Investment expenses	356	---	356	---
Library books	1,840	1,840	---	---
Licenses, fees, memberships	1,359	1,223	136	---
Miscellaneous expense	11,623	5,812	5,811	---
Office expense and supplies	72,333	54,250	18,083	---
Pension plan administration	4,427	3,542	885	---
Professional dues	1,182	---	1,182	---
Scholarship	283,265	283,265	---	---
	<u>\$ 586,737</u>	<u>\$ 472,267</u>	<u>\$ 71,770</u>	<u>\$ 42,700</u>
Total other expenses	<u>\$ 586,737</u>	<u>\$ 472,267</u>	<u>\$ 71,770</u>	<u>\$ 42,700</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 2

FEDERAL - Form 990, Page 3, Part IV

	<u>Cost</u>	<u>A/D</u>	<u>Book Value</u>
Furniture	\$ 37,687	\$ 14,724	\$ 22,963
Machinery and Equipment	316,211	161,533	154,678
Textbooks	77,757	50,957	26,800
Building	2,616,276	216,593	2,399,683
Land	2,806,810	---	2,806,810
Leasehold improvements	<u>536,951</u>	<u>136,423</u>	<u>400,528</u>
	<u>\$6,391,692</u>	<u>\$ 580,230</u>	<u>\$ 5,811,462</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 3

FEDERAL - Form 990, Page 4, Part V

<u>Name and Address</u>	(A) <u>Title</u>	(B) <u>Hours per Week</u>	(C) <u>Compensation</u>	(D) <u>Contribution to Employee benefit plan</u>
Michael A Brewer C Brewer Company 3630 Miraloma Anaheim, CA 92806	President	As necessary	-0-	-0-
Carmella Cassetta 1600 East St Andrew Place Santa Ana, CA 92705	Trustee	As necessary	-0-	-0-
Dan Clark Prudential Overall Supply 1661 Alton Parkway Irvine, CA 92606-4877	Trustee V P Facilities	As necessary	-0-	-0-
David N Davidson Associated Planners Investment Advisory, Inc 3857 Birch Street, Suite 315 Newport Beach, CA 92660-2641	Secretary	As necessary	-0-	-0-
Lynn R Davis 1100 Irvine Blvd , #31 Tustin, CA 92780	Trustee	As necessary	-0-	-0-
Barbara J Dove, CPA 19700 Fairchild Road Suite 300 Irvine, CA 92612	Treasurer V P Finance	As necessary	-0-(1)	-0-
Sharon Ettinger-McLaughlin #7 Altazano Santa Fe, NM 87505	Trustee V P Scholarships	As necessary	-0-	-0-
Harriet A Harris 315 W Third Street Santa Ana, CA 92701	Trustee	As necessary	-0-	-0-

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 3

FEDERAL - Form 990, Page 4, Part V (continued)

<u>Name and Address</u>	(A) <u>Title</u>	(B) <u>Hours per Week</u>	(C) <u>Compensation</u>	(D) <u>Contribution to Employee benefit plan</u>
Willard Harris 315 W Third Street Santa Ana, CA 92701	Trustee	As necessary	-0-	-0-
Susan C Konier 20541 Amapola Avenue Orange, CA 92869	Trustee	As necessary	-0-	-0-
Ruebén Martinez Liberia Martinez Books & Art Gallery 1110 North Main Street Santa Ana, CA 92701	Trustee	As necessary	-0-	-0-
Don McLaughlin #7 Altazano Santa Fe, NM 87505	Trustee	As necessary	-0-	-0-
Steven J Melmet The Law Offices of Steven J Melmet, Inc 2912 South Daimler Street Santa Ana, CA 92705	Trustee	As necessary	-0-	-0-
Judith Partridge Eastwood Insurance Services, Inc 155 North Riverview Anaheim, Hills, CA 92808	Trustee	As necessary	-0-	-0-
David O Rahn 1551 Kensing Avenue Santa Ana, CA 92705	V P Strategic Planning	As necessary	-0-	-0-
Cameron M Smith, Jr Smith, Silbar, Parker & Woffinden, LLP 19100 Von Karman Suite 400 Irvine, CA 92612	Trustee	As necessary	-0-	-0-

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 3

FEDERAL - Form 990, Page 4, Part V (continued)

<u>Name and Address</u>	(A) <u>Title</u>	(B) <u>Hours per Week</u>	(C) <u>Compensation</u>	(D) <u>Contribution to Employee benefit plan</u>
Patricia Sproule 14 Brena Irvine, CA 92620	Trustee	As necessary	-0-	-0-
Taylor, Chris Empire-Homes 20 Corporate Park, Suite 240 Irvine, CA 92606	Trustee	As necessary	-0-	-0-
Jason Weiss, Esq Allen Matkins Leck Gamble & Mallory, LLP 1900 Main Street, 5 th Floor Irvine, CA 92614	Trustee	As necessary	-0-	-0-

(1) No fees paid as a trustee, professional fees of \$10,253 to Barbara Dove, CPA. Amounts paid for professional services were below market rate.

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 4

FEDERAL - Form 990, Schedule A, Part III, 2C

STATE - Form CT-2, Part II, 5

During the year the following transactions have occurred between officers, directors and/or members of their families

The School uses the services of an outside CPA firm in which the owner is a board member. During the fiscal year, fees were paid to the CPA in the amount of \$10,253.

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257 /1347829

Statement 5

FEDERAL - Form 990, Page 3, Part IV

Other assets	<u>2002</u>	<u>2003</u>
Deposits	\$ <u>13,124</u>	\$ <u>17,293</u>
Total other assets	\$ <u>13,124</u>	\$ <u>17,293</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257 /1347829

Statement 6

FEDERAL - Form 990, Page 3, Part IV, Line 62

Column (B) end of year

	<u>2002</u>	<u>2003</u>
Tuition and deposit	\$ 559,603	\$ 472,456
Summer school	<u>19,833</u>	<u>18,835</u>
	<u>\$ 579,436</u>	<u>\$ 491,291</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 7

FEDERAL - Form 990, Schedule A, Part I

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCOUNT AND OTHER ALLOWANCES</u>
Susan Bennett 521 Springbrook North Irvine, CA 92614	Speech Pathologist 40 hours+	\$ 62,546	\$ 3,584	NO
Gayle Borchert 157 Robinson Drive Tustin, CA 92782	Learning Spec 40 hours+	51,060	2,926	NO
Carol Clark 12512 Brighton Tustin, CA 92780	Lower School Principal 40 hours+	82,750	5,543	NO
Carley A C Gonzalez 26081 Saratota Avenue Laguna Hills, CA 92653	Enrichment Learning Spec 40 hours+	54,123	3,101	NO
Jeffery Holley 1010 E Wilson Orange, CA 92667	Learning Specialist 40 hours+	50,748	2,908	NO
Sharon Bambard-Jacobs 31885 Hillside Lane Laguna Beach, CA 92651	Teacher 40 hours+	61,890	3,547	NO
Debra Jarvis 2480 Irvine Blvd , #151 Tustin, CA 92782	Executive Director 40 hours+	107,218	8,266	NO
Karen Lerner 4 Owen Court Irvine, CA 92715	Jr High School Principal 40 hours+	56,089	3,214	NO
Norene Offerman 1486 Paseo Grande Fullerton, CA 92833	Learning Specialist 40 hours+	55,085	3,157	NO

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 7

FEDERAL - Form 990, Schedule A, Part I (continued)

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCOUNT AND OTHER ALLOWANCES</u>
Lillie Otte P O Box 28927 Santa Ana, CA 92799	Accounting Manager 40 hours+	72,913	4,448	NO
Lisa Sensenich 28188 Mounon Pkwy, #1315 Laguna Niguel, CA 92677	Learning Specialist 40 hours+	54,397	3,117	NO
Christine Steele 6419 St Germain Circle Orange, CA 92869	Director of Advancement and Development 40 hours+	90,923	6,452	NO

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 8

FEDERAL - Form 990, Page 3, Part IV

	<u>2002</u>	<u>2003</u>
Investments-Securities (valued at market per FASB 124)		
Corporate stocks	\$ 18,400	\$ 37,011
U S Treasury notes	182,904	189,863
Stock funds	279,692	277,417
Cash- restricted	<u>10,215</u>	<u>23,878</u>
 Total cost of investments held	 <u>\$ 491,211</u>	 <u>\$ 528,169</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257 /1347829

Statement 9

FEDERAL - Form 990, Schedule A, Part III

THE PRENTICE SCHOOL does not discriminate on the basis of race, sex, religion, national origin or ancestry in regard to its education and admission policies or in the awarding of financial aid. Scholarships are awarded strictly on the basis of financial and academic need.

- 1 Parents request financial aid by submitting their Federal Income Tax forms, and their statement of willingness to volunteer time to the program at THE PRENTICE SCHOOL. Alternative types of volunteer activities are available to assist parents in coping with work schedules, etc.
- 2 Prentice supplies parents the financial evaluation forms. Financial information is submitted directly to the School & Student Service for Financial Aid who reviews the financial statements and makes their recommendations as to financial need.
- 3 This information is then combined with the information in regard to educational needs and the availability of funds. This summary is presented to the scholarship committee for allocation of funds. Supporting materials such as letters, SSSFA forms, etc are made available at the scholarship meeting for review by committee members.
- 4 At the direction of the Scholarship Committee, award/denial letter is sent to parents of applicant students.

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257 /1347829

Statement 10

FEDERAL - Form 990, Page 1, Part I

Sale of assets other than inventory	<u>Securities</u>	<u>Other</u>	<u>Total</u>
Proceeds from disposal of assets	\$125,373	\$ 0	\$125,373
Less basis	<u>123,776</u>	<u>0</u>	<u>128,776</u>
Gain (loss) from disposal of assets	<u>\$ 1,597</u>	<u>\$ 0</u>	<u>\$ 1,597</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

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Statement 11

FEDERAL - Form 990, Page 2, Part II

Scholarship grants awarded to individuals

<u>Donee's name and address</u>	<u>Grant amount</u>	<u>Relationship of donee to person with an interest in the organization</u>
Ampaw, Katherine 1410 S Pembroke Lane Anaheim, CA 92804	14,000	none
Brie, Zachary 113 Via Eboli Lido Isle, CA 92663	9,000	none
Cardenas, Sean 6447 E Wardlow Road Long Beach, CA 90808	9,000	none
Carr, Matthew 2544 N Santiago Santa Ana, CA 92706	3,000	none
Crane, Matthew 10050 Blanche Circle Buena Park, CA 90620	3,626	none
Dix, Matthew 24371 Ardisa Mission Viejo, CA 92692	5,311	none
Frias, Troy 155-20 S Singingwood Street Orange, CA 92869	10,703	none
Gough, Rebecca 29392 Crown Ridge Laguna Niguel, CA 92677	9,000	none
Hardin, Eboni 400 S Flower Street, #157 Orange, CA 92868	9,000	none
Haro, Daniel 4482 La Serena Drive Yorba Linda, CA 92886	7,000	none

THE PRENTICE SCHOOL
For Year Ended June 30, 2003

33-0120257 /1347829

Statement 11

FEDERAL - Form 990, Page 2, Part II (continued)

Harris, Mikey 315 W Third Santa Ana, CA 92701	9,500	none
Harris, Mykayla 315 W Third Santa Ana, CA 92701 Orange, CA 92869	8,500	none
Hearst, Jasmine 1100 Irvine Blvd , #435 Tustin, CA 92780	9,000	none
Hearst, Timira 1100 Irvine Blvd , #435 Tustin, CA 92780	9,000	none
Holtz, Sarah 20362 Randall Orange, CA 92869	6,500	none
Khalil, George 14740 Crosswood Road La Mirada, CA 90638	11,000	none
Kloepfer, Cody 6821 Via Irena Stanton, CA 90680	7,000	none
Larson, Bryanna 1646 S Heritage Circle Anaheim, CA 92804	10,000	none
Mercer, Amanda 20540 Via Talavera Yorba Linda, CA 92887	6,000	none
Mercer, Michael 20540 Via Talavera Yorba Linda, CA 92887	7,000	none
Meyers, Christopher 16471 Van De Velde Way Westminster, CA 92683	1,864	none
Murphy, Evan 819 N Roanne Street Anaheim, CA 92801	5,000	none

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Munoz, George 7834 La Mona Circle Buena Park, CA 90620	14,000	none
Nelson, Rayne 14332 Yorba Street Tustin, CA 92780	7,500	none
O'Connor, Joshua 27112 Cordero Lane Mission Viejo, CA 92691	3,436	none
Sweeney, Andrea 5651 Rochelle Avenue Westminster, CA 92683	5,000	none
Tinoco, Lucino 315 S. New Hope Street, 238 Santa Ana, CA 92704	17,340	none
Velasco, Debbie 18040 Mark Lane Yorba Linda, CA 92886	8,500	none
Velasco, John-Paul 6327 Mt Ripley Cypress, CA 90630	9,500	none
Velasco, Mary 6327 Mt Ripley Cypress, CA 90630	8,500	none
Wahlstrom, Pauline 20092 Ferngian Drive Yorba Linda, CA 92886	4,333	none
Walstead, Levi 1319 E. Palm Avenue Orange, CA 92866	9,000	none
Wareh, Braden 10941 Jean Street Anaheim, CA 92804	14,000	none
Williams, Gurseanda 2889 Player Lane Tustin, Ca 92782	12,150	none

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Statement 11

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Total	<u>\$283,264</u>
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Statement 12

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Other changes in net assets

Unrealized gain (loss) on investments carried
at market value

\$ 19,239