

Return of Organization Exempt from Income Tax

2003

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 2003 calendar year, or tax year beginning July 1, 2003, and ending June 30, 2004

- 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 instructions.

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

G Web site: _____

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

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

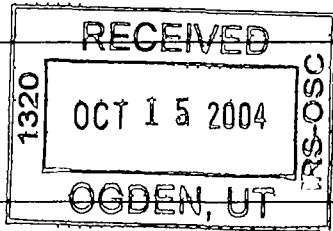
I Group Exemption Number _____

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

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)

REVENUE	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	167,445		
	b Indirect public support	1b	768		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)				1d 168,213
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2 3,464,522
	3 Membership dues and assessments				3
	4 Interest on savings and temporary cash investments				4 18,080
	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		
	102,848	8a	0		
	b Less cost or other basis and sales expenses	100,550	8b	1,060	
	c Gain or (loss) (attach schedule)	2,298	8c	(1,060)	
d Net gain or (loss) (combine line 8c, columns (A) and (B))				8d 1,238	
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ 48,129 of contributions reported on line 1a)	9a	129,540			
b Less direct expenses other than fundraising expenses	9b	111,086			
c Net income or (loss) from special events (subtract line 9b from line 9a)				9c 18,454	
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 3,777	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				12 3,674,284	
EXPENSES	13 Program services (from line 44, column (B))				13 3,163,549
	14 Management and general (from line 44, column (C))				14 495,111
	15 Fundraising (from line 44, column (D))				15 722
	16 Payments to affiliates (attach schedule)				16
	17 Total expenses (add lines 16 and 44, column (A))				17 3,659,382
18 Excess or (deficit) for the year (subtract line 17 from line 12)				18 14,902	
19 Net assets or fund balances at beginning of year (from line 73, column (A))				19 6,483,488	
20 Other changes in net assets or fund balances (attach explanation) unrealized gain				20 38,122	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				21 6,536,512	



19

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>310,398</u>)	310,398	310,398		
23	Specific assistance to individuals (att sch)				
24	Benefits paid to or for members (att sch)				
25	Compensation of officers, directors, etc	167,061	127,462	39,599	
26	Other salaries and wages	1,724,756	1,475,746	249,010	
27	Pension plan contributions	83,093	69,798	13,295	
28	Other employee benefits	197,725	166,089	31,636	
29	Payroll taxes	155,037	130,231	24,806	
30	Professional fundraising fees				
31	Accounting fees	18,641		18,641	
32	Legal fees	11,117		11,117	
33	Supplies				
34	Telephone	9,496	7,123	2,373	
35	Postage and shipping				
36	Occupancy	217,506	195,754	21,752	
37	Equipment rental and maintenance	22,148	16,611	5,537	
38	Printing and publications				
39	Travel				
40	Conferences, conventions, and meetings	4,839		4,839	
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	170,488	153,439	17,049	
43	Other expenses not covered above (itemize)				
a	See Statement 1	567,077	510,898	55,457	722
b					
c					
d					
e					
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	3,659,382	3,163,549	495,111	722

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? ▶

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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

a	Tuition - operation of School _____ _____ _____ (Grants and allocations \$ _____)	3,005,372
b	Auxiliary activities _____ _____ _____ (Grants and allocations \$ _____)	158,177
c	_____ _____ _____ (Grants and allocations \$ _____)	
d	_____ _____ _____ (Grants and allocations \$ _____)	
e	Other program services (Grants and allocations \$ _____)	3,163,549
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
ASSETS	45 Cash – non-interest-bearing	200	45	200
	46 Savings and temporary cash investments	744,502	46	954,910
	47a Accounts receivable	95,400		
	b Less allowance for doubtful accounts	22,243	47c	73,157
	48a Pledges receivable	25,000		
	b Less allowance for doubtful accounts	5,720	48c	19,280
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)			
	b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use	320	52	320
	53 Prepaid expenses and deferred charges	28,113	53	36,891
	54 Investments – securities (attach schedule)	528,170	54	575,593
	55a Investments – land, buildings, & equipment, basis			
	b Less accumulated depreciation (attach schedule)		55c	
	56 Investments – other (attach schedule)		56	
	57a Land, buildings, and equipment, basis	6,511,501		
	b Less accumulated depreciation (attach schedule)	(747,698)	57c	5,763,803
	58 Other assets (describe ▶ _____)	17,293	58	16,072
59 Total assets (add lines 45 through 58) (must equal line 74)	7,225,184	59	7,440,226	
LIABILITIES	60 Accounts payable and accrued expenses	250,405	60	211,308
	61 Grants payable		61	
	62 Deferred revenue	491,291	62	692,406
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ _____)		65	
	66 Total liabilities (add lines 60 through 65)	741,696	66	903,714
UNRESTRICTED OR PERMANENTLY RESTRICTED	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	5,844,915	67	5,868,809
	68 Temporarily restricted	147,415	68	122,080
	69 Permanently restricted	491,158	69	545,623
	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)	6,483,488	73	6,536,512
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	7,225,184	74	7,440,226

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 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		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.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		n/a
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		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?		X
81a	Enter direct and indirect political expenditures. See line 81 instructions		X
81b	Did the organization file Form 1120-POL for this year?		
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
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.)		11,467
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		n/a
85a	501(c)(4), (5), or (6) organizations. Were substantially all dues nondeductible by members?		n/a
85b	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.		n/a
85c	Dues, assessments, and similar amounts from members		n/a
85d	Section 162(e) lobbying and political expenditures		n/a
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		n/a
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		n/a
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
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?		
86a	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12		n/a
86b	Gross receipts, included on line 12, for public use of club facilities		n/a
87a	501(c)(12) organizations Enter a Gross income from members or shareholders		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.)		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		X
89a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 ▶ <u>-0-</u> , section 4912 ▶ <u>-0-</u> , section 4955 ▶ <u>-0-</u>		
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		X
	c Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
	d Enter. Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed ▶ <u>California</u>		
90b	Number of employees employed in the pay period that includes March 12, 2008 (See instructions)		66
91	The books are in care of ▶ <u>Barbara J. Dove, CPA</u> Telephone number ▶ <u>949-474-1040</u> Located at ▶ <u>19700 Fairchild Road, Suite 300, Irvine, CA</u> ZIP + 4 ▶ <u>92612-2515</u>		
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 ▶ <u>92</u>		

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					3,299,524
b Auxiliary Activities					164,998
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	18,080	
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	1,238	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b			01	3,777	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				23,095	3,464,522
105 Total (add line 104, columns (B), (D), and (E))					3,487,617

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)

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 Sign: *X Carol H. Clark* Signature of officer Date: *X Oct. 4, 2004*

Director

Date: *10/3/04* Check if self: Preparer's SSN or PTIN (see General Instruction W)

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

2003

Name of the organization

THE PRENTICE SCHOOL

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 ▶	12			

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 ▶		

Part III Statements About Activities (See instructions.)

	Yes	No
<p>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 ▶ \$ _____</p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>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.</p>		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
3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)	X	
b Do you have a section 403(b) annuity plan for your employees?	X	
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	X	

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 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.) Advertisements contain the statement "Qualified students are accepted regardless of race, creed or ethnic origin." ----- -----	X	
32	Does the organization maintain the following.		
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
32d	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.) ----- -----	X	
33	Does the organization discriminate by race in any way with respect to		
33a	a Students' rights or privileges?		X
33b	b Admissions policies?		X
33c	c Employment of faculty or administrative staff?		X
33d	d Scholarships or other financial assistance?		X
33e	e Educational policies?		X
33f	f Use of facilities?		X
33g	g Athletic programs?		X
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		X
34a	a Does the organization receive any financial aid or assistance from a governmental agency?		X
34b	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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term 'expenditures' means amounts paid or incurred.)															
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 –	41													
<table border="0"> <tr> <td>If the amount on line 40 is –</td> <td>The lobbying nontaxable amount is –</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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
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) 2003	(b) 2002	(c) 2001	(d) 2000	(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 (See instructions)
 (For reporting only by organizations that did not complete Part VI-A)

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

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

Form **4562**

Department of the Treasury
Internal Revenue Service

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

▶ See separate instructions.
▶ Attach to your tax return.

OMB No 1545 0172

2003

67

Name(s) shown on return

THE PRENTICE SCHOOL

Identifying number

33-0120257

Business or activity to which this form relates
Form 990

Part I Election To Expense Certain 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	\$100,000.
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	\$400,000.
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 2002 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 2004. 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	170,488

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 2003	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 2003 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	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2003 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	170,488
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?					<input type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?					<input type="checkbox"/> Yes	<input type="checkbox"/> 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.

30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
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												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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 2003 tax year (see instructions)					
43 Amortization of costs that began before your 2003 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, 2004

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	\$ 20,993	\$ ---	\$ 20,993	\$ ---
Bad debts	12,000	12,000	---	---
Board meeting expense	3,609	---	3,609	---
Classrooms equip. under \$1,000	1,110	1,110	---	---
Curriculum expenses	73,047	73,047	---	---
Development expense	722	---	---	722
Education	9,406	9,406	---	---
Insurance	29,961	26,965	2,996	---
Investment expenses	213	---	213	---
Library books	2,183	2,183	---	---
Licenses, fees, memberships	3,130	2,817	313	---
Miscellaneous expense	14,683	7,341	7,342	---
Office expense and supplies	76,336	57,252	19,084	---
Pension plan administration	1,642	1,379	263	---
Professional dues	644	---	644	---
Scholarship	310,398	310,398	---	---
Tuition remission	7,000	7,000	---	---
	<u>567,077</u>	<u>510,898</u>	<u>55,457</u>	<u>722</u>
Total other expenses	<u>\$ 567,077</u>	<u>\$ 510,898</u>	<u>\$ 55,457</u>	<u>\$ 722</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 2

FEDERAL - Form 990, Page 3, Part IV

	<u>Cost</u>	<u>A/D</u>	<u>Book Value</u>
Furniture	\$ 37,687	\$ 19,428	\$ 18,259
Machinery and Equipment	412,936	224,861	188,075
Textbooks	79,279	61,454	17,825
Building	2,616,276	282,295	2,333,981
Land	2,806,810	---	2,806,810
Leasehold improvements	<u>558,512</u>	<u>159,660</u>	<u>398,852</u>
	<u>\$6,511,500</u>	<u>\$ 747,698</u>	<u>\$ 5,763,802</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 3

FEDERAL - Form 990, Page 4, Part V

<u>Name and Address</u>	<u>(A) Title</u>	<u>(B) Hours per Week</u>	<u>(C) Compensation</u>	<u>(D) Contribution to Employee benefit plan</u>
Michael A. Brewer C. Brewer Company 3630 Miraloma Anaheim, CA 92806	President	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-
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-

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

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>
Don McLaughlin #7 Altazano Santa Fe, NM 87505	Trustee	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-
Patricia Sproule 14 Brena Irvine, CA 92620	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 \$9,640 to Barbara Dove, CPA. Amounts paid for professional services were below market rate.

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

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 \$9,640.

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 5

FEDERAL - Form 990, Page 3, Part IV

Other assets:

	<u>2003</u>	<u>2004</u>
Deposits	<u>\$ 17,293</u>	<u>\$ 16,072</u>
Total other assets	<u>\$ 17,293</u>	<u>\$ 16,072</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 6

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

Column (B) end of year

	<u>2003</u>	<u>2004</u>
Tuition and deposit	\$2,936,857	\$2,973,873
Summer school	<u>28,201</u>	<u>15,253</u>
	<u>\$2,965,058</u>	<u>\$2,989,126</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

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>
Gayle Borchert 157 Robinson Drive Tustin, CA 92782	Learning Specialist 40 hours+	53,243	3,195	NO
Carol Clark 12512 Brighton Tustin, CA 92780	Lower School Principal/Interim Exec. Dir. 3/12/04 40 hours+	90,750	5,445	NO
Carley A.C. Gonzalez 26081 Saratota Avenue Laguna Hills, CA 92653	Enrichment Learning Spec. 40 hours+	53,289	3,197	NO
Jeffery Holley 1010 E. Wilson Orange, CA 92667	Learning Specialist 40 hours+	52,776	3,167	NO
Sharon Bambarb-Jacobs 31885 Hillside Lane Laguna Beach, CA 92651	Teacher 40 hours+	64,001	3,840	NO
Debra Jarvis 18341 Lassen Drive Santa Ana, CA 92705	Executive Director 40 hours+/ resigned 3/11/04	76,311	---	NO
Karen Lerner 4 Owen Court Irvine, CA 92715	Jr. High School Principal 40 hours+	67,303	4,038	NO
Amy McLean 28505 Klondike Drive Trabuco Canyon, CA 92679	Learning Specialist 40 hours+	50,386	3,023	NO
Michelle Meyerson 16 Oakhurst Irvine, CA 92620	School Counselor 40 hours+	52,982	3,179	NO
Norene Offerman 1486 Paseo Grande Fullerton, CA 92833	Learning Specialist 40 hours+	55,968	3,358	NO

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

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+	75,642	4,539	NO
Lisa Sensenich 28188 Mounon Pkwy., #1315 Laguna Niguel, CA 92677	Learning Specialist 40 hours+	58,236	3,494	NO

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 8

FEDERAL - Form 990, Page 3, Part IV

	<u>2003</u>	<u>2004</u>
Investments-Securities (valued at market per FASB 124):		
Corporate stocks	\$ 37,011	\$ 29,970
U.S. Treasury notes	189,863	114,850
Stock and mutual funds	277,417	407,910
Cash- restricted	<u>23,878</u>	<u>22,864</u>
 Total cost of investments held:	 <u>\$ 528,169</u>	 <u>\$ 575,594</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

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, 2004

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	\$102,848	\$ 0	\$102,848
Less: basis	<u>100,550</u>	<u>1,060</u>	<u>101,610</u>
Gain (loss) from disposal of assets	<u>\$ 2,298</u>	<u>\$ 1,060</u>	<u>\$ 1,238</u>

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

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>
Abercrombie, Evan 16836 Clovergreen Lane Huntington Beach, CA 92649	3,000	none
Alcantar, Khristian 13800 Parkcenter Lane, #231 Tustin, CA 92782	5,500	none
Allen, Daniel P. 20 Sanderling Street Irvine, CA 92604	8,500	none
Ampaw, Katherine 1410 S. Pembroke Lane Anaheim, CA 92804	14,000	none
Anticouni, Garrett 11422 Fredrick Street Garden Grove, CA 92840	3,700	none
Buier, Ainsley 113 Via Eboli Lido Isle, CA 92663	8,000	none
Buie, Zachary 113 Via Eboli Lido Isle, CA 92663	9,000	none
Chidueme, Jennifer 700 S. Sherrill Street Anaheim, CA 92804	7,500	none
Crane, Matthew 10050 Blanche Circle Buena Park, CA 90620	1,284	none
Deckert, Mackenzie 264 S. Waverly Street Orange, CA 92866	8,500	none

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 11

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

Dix, Matthew 24371 Ardisa Mission Viejo, CA 92692	8,500	none
Gonzalez, Andrea 1358 E. Ruddock Street Covina, CA 91724	6,500	none
Gough, Rebecca 29392 Crown Ridge Laguna Niguel, CA 92677	8,500	none
Green, Wyman 6647 Logan Avenue Fontana, CA 92336	3,200	none
Groschel, Roxanne 124 N. Tustin Avenue, Apt. C2 Anaheim, CA 92807	9,311	none
Hardin, Eboni 400 S. Flower Street, #157 Orange, CA 92868	7,500	none
Haro, Daniel 13282 Ethelbee Way Santa Ana, CA 92705	6,500	none
Harris, Mikey 315 W. Third Santa Ana, CA 92701	5,500	none
Harris, Mykayla 315 W. Third Santa Ana, CA 92701	4,500	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
Kazerooni, Mazyar 15382 Orleans Circle Irvine, CA 92604	3,500	none

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 11

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

Kloepfer, Cody 6821 Via Irana Stanton, CA 90680	6,500	none
Kloepfer, Jennifer 6821 Via Irana Stanton, CA 90680	11,500	none
Larson, Bryanna 1646 S. Heritage Circle Anaheim, CA 92804	9,000	none
Levin, Tracy 240 S. Ralph Road Lake Elsinor, CA 92530	5,000	none
Mercer, Amanda 20540 Via Talavera Yorba Linda, CA 92887	6,000	none
Munoz, George 7834 La Mona Circle Buena Park, CA 90620	14,000	none
Murphy, Evan 819 N. Roanne Street Anaheim, CA 92801	5,000	none
O'Connor, Jacob 27112 Cordero Lane Mission Viejo, CA 92691	5,500	none
O'Connor, Joshua 27112 Cordero Lane Mission Viejo, CA 92691	6,500	none
Palmquist, Billy 5 Via Taliana Rancho Santa Margarita, CA 92688	3,000	none
Sweeney, Andrea 5651 Rochelle Avenue Westminster, CA 92683	4,700	none
Trinoco, Lucino 315 S. New Hope Street, 238 Santa Ana, CA 92704	16,703	none

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 11

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

Velasco, John-Paul 6327 Mt. Ripley Cypress, CA 90630	9,500	none
Velasco, Mary 6327 Mt. Ripley Cypress, CA 90630	8,500	none
Velasco, Shannon 18040 Mark Lane Yorba Linda, CA 92886	8,500	none
Wakeham, Steven Tanner 20031 Big Band Lane Huntington Beach, CA 92646	3,000	none
Walker, George 2452 Stern Deck Road Bradley, CA 93426	4,000	none
Walstead, Levi 1319 E. Palm Avenue Orange, CA 92866	7,500	none
Wareh, Braden 10941 Jean Street Anaheim, CA 92804	14,000	none
Williams, Gurseanda 2889 Player Lane Tustin, CA 92782	11,500	none
Total	<u>\$310,398</u>	

THE PRENTICE SCHOOL
For Year Ended June 30, 2004

33-0120257 /1347829

Statement 12

FEDERAL - Form 990, Page , Part I

Other changes in net assets:

Unrealized gain (loss) on investments carried
at market value

\$ 38,122