

Return of Organization Exempt From Income Tax

2005

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

Department of the Treasury Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning 7/01, 2005, and ending 6/30, 2006

- 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. NATIVITY PREP ACADEMY OF SAN DIEGO, INC. 3233 MARKET STREET SAN DIEGO, CA 92102

D Employer Identification Number 33-0886247 E Telephone number 619-804-7737 F Accounting method: Cash, Accrual (checked), 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? No (checked). H(b) If 'Yes,' enter number of affiliates. H(c) Are all affiliates included? No. H(d) Is this a separate return filed by an organization covered by a group ruling? No (checked).

G Web site: N/A

J Organization type (check only one): 501(c) 3 (checked), 4947(a)(1), 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 chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 1,167,850

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

Table with columns for Revenue (1-12), Expenses (13-17), and Net Assets (18-21). Includes sub-rows for contributions, program revenue, special events, and inventory. Total revenue: 1,140,974. Total expenses: 746,581. Net assets at end of year: 916,878.

Handwritten marks: 613, 23

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 \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
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	27,000.	0.	6,750.
26	Other salaries and wages	26	386,281.	279,403.	44,795.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	40,633.	26,818.	12,190.
30	Professional fundraising fees	30			
31	Accounting fees	31	10,047.		10,047.
32	Legal fees	32	939.		939.
33	Supplies	33	9,718.	4,276.	3,207.
34	Telephone	34			
35	Postage and shipping	35	3,429.	514.	617.
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39	3,775.	1,963.	
40	Conferences, conventions, and meetings	40			1,812.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	3,021.	2,870.	151.
43	Other expenses not covered above (itemize):				
a	See Statement 3	43a	261,738.	218,393.	29,386.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
f	-----	43f			
g	-----	43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	746,581.	534,237.	108,082.

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 \$ _____

BAA

Part III Statement of Program Service Accomplishments

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

What is the organization's primary exempt purpose? Education
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)
Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

Table with 2 columns: Description of program service and Program Service Expenses. Row a: See Statement 4, 534,237. Row b: (Grants and allocations \$) If this amount includes foreign grants, check here. Row c: (Grants and allocations \$) If this amount includes foreign grants, check here. Row d: (Grants and allocations \$) If this amount includes foreign grants, check here. Row e: Other program services (Grants and allocations \$) If this amount includes foreign grants, check here. Row f: Total of Program Service Expenses (should equal line 44, column (B), Program services) 534,237.

BAA

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) Beginning of year		(B) End of year	
ASSETS	45 Cash — non-interest-bearing	68,243.	45	158,208.	
	46 Savings and temporary cash investments	330,048.	46	570,448.	
	47a Accounts receivable	47a 3,806.			
	b Less allowance for doubtful accounts	47b	827.	47c 3,806.	
	48a Pledges receivable	48a			
	b Less allowance for doubtful accounts	48b		48c	
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes & loans receivable (attach sch.)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments — land, buildings, & equipment basis	55a			
b Less accumulated depreciation (attach schedule)	55b		55c		
56 Investments — other (attach schedule)			56		
57a Land, buildings, and equipment: basis	57a 298,601.				
b Less: accumulated depreciation (attach schedule)	57b 69,150.	160,601.	57c 229,451.		
58 Other assets (describe ▶ See Statement 6)		2,486.	58 755.		
59 Total assets (must equal line 74). Add lines 45 through 58		562,205.	59 962,668.		
LIABILITIES	60 Accounts payable and accrued expenses	29,220.	60	40,000.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
65 Other liabilities (describe ▶ See Statement 7)		10,500.	65 5,790.		
66 Total liabilities. Add lines 60 through 65		39,720.	66 45,790.		
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
NET ASSETS OR FUND BALANCES	67 Unrestricted	192,437.	67	346,430.	
	68 Temporarily restricted	30,048.	68	15,149.	
	69 Permanently restricted	300,000.	69	555,299.	
	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)		522,485.	73 916,878.		
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		562,205.	74 962,668.		

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

a	Total revenue, gains, and other support per audited financial statements		a	1,140,974.
b	Amounts included on line a but not on Part I, line 12			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	1,140,974.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b.	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	1,140,974.

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

a	Total expenses and losses per audited financial statements		a	746,581.
b	Amounts included on line a but not on Part I, line 17:			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	746,581.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17) Add lines c and d		e	746,581.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 8		27,000.	0.	0.

Part VI Other information (continued)	Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
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.		
c Dues, assessments, and similar amounts from members	N/A	
d Section 162(e) lobbying and political expenditures	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86 501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	N/A	
b Gross receipts, included on line 12, for public use of club facilities	N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	N/A	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	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
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0.		
b 501(c)(3) and 501(c)(4) 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.
90 a List the states with which a copy of this return is filed ▶ CA		
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90 b	13
91 a The books are in care of ▶ DAVID RIVERA Telephone number ▶ 619-544-9455 Located at ▶ 3233 MARKET ST., SAN DIEGO, CA, ZIP + 4 ▶ 92102		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶	91 b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶	91 c	X
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. and enter the amount of tax-exempt interest received or accrued during the tax year. ▶	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
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					978.
96 Dividends & interest from securities					10,524.
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			18	12,625.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					49,090.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					1,637.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				12,625.	62,229.
105 Total (add line 104, columns (B), (D), and (E))					74,854.

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 the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
N/A	

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

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

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

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

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

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

Signature of officer: [Signature] Date: 2/14/2007

Type or print name and title: BIVEN CLAYPOOL, DIRECTOR FINANCE/OPS

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 2-13-07 Check if self-employed: Preparer's SSN or PTIN (See General Instruction W): N/A

Firm's name (or yours if self-employed), address, and ZIP + 4: Douglas G. Griffin, CPA
3838 Camino Del Rio N., Ste 165
San Diego, CA 92108 EIN: N/A Phone no: (619) 284-9953

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 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

2005

Name of the organization: **NATIVITY PREP ACADEMY OF SAN DIEGO, INC.**
Employer identification number: **33-0886247**

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 9		133,920.	0.	0.
Total number of other employees paid over \$50,000 ▶		0		

Part II – A 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
None		
Total number of others receiving over \$50,000 for professional services ▶		0

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

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

Part III Statements About Activities (See instructions.)

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 ▶ \$ N/A

(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

	Yes	No
1		X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions)

--	--	--

a Sale, exchange, or leasing of property?

2a	X	
----	---	--

b Lending of money or other extension of credit?

2b		X
----	--	---

c Furnishing of goods, services, or facilities?

2c		X
----	--	---

See Form 990, Part V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d	X	
----	---	--

e Transfer of any part of its income or assets?

2e		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)

3a		X
----	--	---

b Do you have a section 403(b) annuity plan for your employees?

3b		X
----	--	---

c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?

3c		X
----	--	---

4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a		X
----	--	---

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b		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) Check the box that describes the type of supporting organization: ▶ Type 1 Type 2 Type 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	818,549.	663,601.	414,061.	277,049.	2,173,260.
16 Membership fees received					0.
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			174,773.		174,773.
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	605.	2,602.	433.	1,417.	5,057.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt 10	1,171.	136,468.			137,639.
23 Total of lines 15 through 22	820,325.	802,671.	589,267.	278,466.	2,490,729.
24 Line 23 minus line 17	820,325.	802,671.	414,494.	278,466.	2,315,956.
25 Enter 1% of line 23	8,203.	8,027.	5,893.	2,785.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	46,319.
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	493,137.
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	2,315,956.
d Add: Amounts from column (e) for lines: 18 <u>5,057.</u> 19 <u> </u> 22 <u>137,639.</u> 26b <u>493,137.</u>	26d	635,833.
e Public support (line 26c minus line 26d total)	26e	1,680,123.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	72.55 %

27 Organizations described on line 12: N/A

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:
 (2004) _____ (2003) _____ (2002) _____ (2001) _____

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:
 (2004) _____ (2003) _____ (2002) _____ (2001) _____

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	27c	
d Add: Line 27a total _____ and line 27b total _____	27d	
e Public support (line 27c total minus line 27d total)	27e	
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?..		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?..		
	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?		
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		
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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

Limits on Lobbying Expenditures		(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 –		
	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	41	
	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) 2005	(b) 2004	(c) 2003	(d) 2002	(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)

N/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

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

33-0886247

Statement 1
Form 990, Part I, Line 7
Other Investment Income

Capital Gains	\$	6,601.
Unrealized gain		6,024.
	Total \$	<u>12,625.</u>

Statement 2
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

<u>Special Events</u>	<u>Gross Receipts</u>	<u>Less Contributions</u>	<u>Gross Revenue</u>	<u>Less Direct Expenses</u>	<u>Net Income (Loss)</u>
Special Events- Golf Tournament					
	75,966.	0.	75,966.	26,876.	49,090.
Total	<u>\$ 75,966.</u>	<u>\$ 0.</u>	<u>\$ 75,966.</u>	<u>\$ 26,876.</u>	<u>\$ 49,090.</u>

Statement 3
Form 990, Part II, Line 43
Other Expenses

	<u>(A)</u> <u>Total</u>	<u>(B)</u> <u>Program Services</u>	<u>(C)</u> <u>Management & General</u>	<u>(D)</u> <u>Fundraising</u>
Automobile expense	3,884.	3,418.	466.	
Bank Service charges	6,210.	4,968.	1,242.	
Consulting	37,813.	30,250.	7,563.	
Equipment rental	11,046.	11,046.		
Housing expense	33,780.	33,780.		
Insurance	45,170.	32,974.	9,034.	3,162.
Meals	22,188.	22,188.		
Membership & fees	1,211.	545.		666.
Miscellaneous	7,292.	1,896.	730.	4,666.
Office expense	1,093.	601.	273.	219.
Printing & Reproduction	6,084.		1,217.	4,867.
Property taxes/other	422.	422.		
Rent	6,005.	4,804.	1,201.	
Repair and maintenance	14,584.	11,667.	2,917.	
School expenses	40,114.	40,114.		
Teacher's expenses	5,870.	5,870.		
Utilities	18,972.	13,850.	4,743.	379.
Total	<u>\$ 261,738.</u>	<u>\$ 218,393.</u>	<u>\$ 29,386.</u>	<u>\$ 13,959.</u>

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

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Statement 4
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
To establish and maintain a comprehensive children's center, to provide specialized early intervention and prevention programming and instruction covering the various socio-emotional needs, and to provide graduate support and establish a scholarship program for at-risk, inner-city youth in poverty in San Diego County. Includes Foreign Grants: No		534,237.
	<u>\$ 0.</u>	<u>\$ 534,237.</u>

Statement 5
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Automobiles / Transportation Equipment	\$ 67,134.	\$ 28,290.	\$ 38,844.
Furniture and Fixtures	25,555.	18,132.	7,423.
Machinery and Equipment	24,893.	13,927.	10,966.
Improvements	168,507.	913.	167,594.
Miscellaneous	12,512.	7,888.	4,624.
Total	<u>\$ 298,601.</u>	<u>\$ 69,150.</u>	<u>\$ 229,451.</u>

Statement 6
Form 990, Part IV, Line 58
Other Assets

Security Deposit	\$ 755.
Total	<u>\$ 755.</u>

Statement 7
Form 990, Part IV, Line 65
Other Liabilities

Related Payroll Liabilites	\$ 5,789.
Rounding	1.
Total	<u>\$ 5,790.</u>

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

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Statement 8
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
David Rivera 2777 Market Street, #C San Diego, CA 92102	Director 0	\$ 27,000.	\$ 0.	\$ 0.
Mrs. Susan Wilson 3739 Rosecroft Lane San Diego, CA 92106	Director 0	0.	0.	0.
Michael G. Daniels 1131 Wall Street La Jolla, CA 92037	Director 0	0.	0.	0.
Joe Jordan 448 Coast Blvd South La Jolla, CA 92037	Director 0	0.	0.	0.
Dr. Richard Kelly 6222 Cardeno Drive La Jolla, CA 92037	Chairman 0	0.	0.	0.
Rita Benz 6149 Wenrich Drive San Diego, CA 92120	Director 0	0.	0.	0.
Dr. Linda Siefert 5998 Alcalá Park San Diego, CA 92110	Director 0	0.	0.	0.
Debi Condon 1879 Lawndale Road El Cajon, CA 92019	Director 0	0.	0.	0.
Kenny Jones 3233 Market Street San Diego, CA 92102	Director 0	0.	0.	0.
Tom Mattix 16996 Deer Hill Estates San Diego, CA 92040	Director 0	0.	0.	0.
Mary Meissner 12421 Rue fountainbleau San Diego, CA 92131	Director 0	0.	0.	0.
Stephen T. Toohill 600 W. Broadway Suite 2600 San Diego, CA 92101	Director 0	0.	0.	0.
	Total	\$ 27,000.	\$ 0.	\$ 0.

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

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Statement 9
Schedule A, Part I
Compensation of Five Highest Paid Employees

<u>Name and Address</u>	<u>Title & Average Hours Worked</u>	<u>Compen- sation</u>	<u>Contributio EBP & DC</u>	<u>Expense Account</u>
BRENDAN J. SULLIVAN 775 SILVERGATE AVENUE SAN DIEGO, CA	Principal 40	71,837.	0.	0.
CAMILLE B. MCKINNIE 10757 CALLE MAR DE MARIPOSA SAN DIEGO, CA 92130	Director of Dev 40	62,083.	0.	0.
	Total	<u>\$ 133,920.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 10
Schedule A, Part IV-A, Line 22
Other Income

<u>Description</u>	<u>(a) 2004</u>	<u>(b) 2003</u>	<u>(c) 2002</u>	<u>(d) 2001</u>	<u>(e) Total</u>
Gain/ sale of asset	\$ 0.	\$ 136,468.	\$ 0.	\$ 0.	\$ 136,468.
Miscellaneous Income	1,171.	0.	0.	0.	1,171.
Total	<u>\$ 1,171.</u>	<u>\$ 136,468.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 137,639.</u>

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

33-0886247

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Dep Allow	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 990/990-PF																
Auto / Transport Equipment																
1	'98 Saturn	8/01/00	7/01/05	11,440							11,440	-1	S/L	5		0
11	2003 Ford Passenger Van	12/02/03		26,544							26,544	8,406	S/L	5		5,309
12	2003 Ford E350 Club Wagon	1/13/04		29,150							29,150	8,745	S/L	5		5,830
Total Auto / Transport Equipment																
				67,134		0	0	0	0	0	67,134	17,150				11,139
Furniture and Fixtures																
2	Furniture	4/01/01		15,000							15,000	9,072	S/L	7		2,143
5	Miscellaneous furniture	9/01/01		8,078							8,078	4,424	S/L	7		1,154
9	Promise House bed	8/21/02		1,200							1,200	485	S/L	7		71
10	Promise Hse beds, dresser	9/16/02		1,277							1,277	501	S/L	7		82
Total Furniture and Fixtures																
				25,555		0	0	0	0	0	25,555	14,482				3,650
Improvements																
8	Leasehold Improvements	9/15/01	7/01/05	32,811							32,811		S/L	30		0
16	Improvements-Lhi	1/12/04	7/01/05	18,413							18,413		S/L	30		0
17	Improvements-Lhi	7/17/03	7/01/05	5,000							5,000		S/L	30		0
18	Improvements-Lhi	7/22/03	7/01/05	2,250							2,250		S/L	30		0
19	Improvements-Lhi	9/10/03	7/01/05	2,000							2,000		S/L	30		0
20	Improvements-Lhi	9/12/03	7/01/05	1,600							1,600		S/L	30		0
21	Improvements-Lhi	9/19/03	7/01/05	3,107							3,107		S/L	30		0
22	Improvements-Lhi	9/23/03	7/01/05	2,310							2,310		S/L	30		0
23	Improvements-Lhi	10/01/03	7/01/05	3,469							3,469		S/L	30		0

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

33-0886247

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
25	Leasehold improvements	12/31/05		13,800							13,800		S/L	30		913	
26	Leasehold Improv-Raley	7/01/05		40,000							40,000		S/L	30		1,333	
27	Leasehold Improv	12/15/05		30,000							30,000		S/L	30		0	
28	Misc LHI	6/30/06		13,747							13,747		S/L	30		0	
	Total Improvements			168,507		0	0	0	0	0	168,507	0				2,246	
	Machinery and Equipment																
3	Computer-Laptop	9/25/00		673							673	673	S/L	5		0	
4	2 Compaq Computers	10/01/00		1,800							1,800	1,541	S/L	5		90	
7	Computers	9/01/01		1,555							1,555	1,192	S/L	5		311	
13	Computers	1/06/04		13,184							13,184	3,955	S/L	5		2,637	
14	Computers	3/22/04		5,508							5,508	1,377	S/L	5		1,102	
15	Refrigerator	1/22/04		2,172							2,172	615	S/L	5		434	
	Total Machinery and Equipment			24,892		0	0	0	0	0	24,892	9,353				4,574	
	Miscellaneous																
6	School equipment	9/15/01		10,340							10,340	5,662	S/L	7		1,477	
24	School equip- cooling sys	1/22/04		2,172							2,172	439	S/L	7		310	
	Total Miscellaneous			12,512		0	0	0	0	0	12,512	6,101				1,787	
	Total Depreciation			298,600		0	0	0	0	0	298,600	47,086				23,396	
	Grand Total Depreciation			298,600		0	0	0	0	0	298,600	47,086				23,396	

NATIVITY PREP ACADEMY OF SAN DIEGO, INC.

33-0886247

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
	Depreciation Assets Sold			82,400		0	0	0	0	0	82,400	-1				0
	Depr Remaining Assets			<u>216,200</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>216,200</u>	<u>47,087</u>				<u>23,396</u>

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

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

Form 990-T corporations requesting an automatic 6-month extension – check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization NATIVITY PREP ACADEMY OF SAN DIEGO, INC.	Employer identification number 33-0886247
	Number, street, and room or suite number. If a P.O. box, see instructions 3233 MARKET STREET	
	City, town or post office. For a foreign address, see instructions SAN DIEGO, CA 92102	state ZIP code

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

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

• The books are in the care of ▶ DAVID RIVERA -----

Telephone No. ▶ 619-544-9455 FAX No. ▶ -----

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

- I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until 2/15, 20 07, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 - ▶ calendar year 20__ or
 - ▶ tax year beginning 7/01, 20 05, and ending 6/30, 20 06.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 3a** If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0.
- b** If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ 0.
- c Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.

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

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