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Form 990

Department of the Treasury
Internal Revenue ServiceReturn of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No 1545-0047

2013

Open to Public
Inspection

► Do not enter Social Security numbers on this form as it may be made public.
► Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2013 calendar year, or tax year beginning JUL 1, 2013 and ending JUN 30, 2014

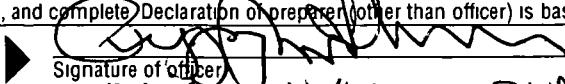
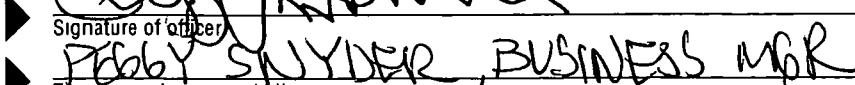
<input type="checkbox"/> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization PROSPECT SIERRA SCHOOL Doing Business As		D Employer identification number 94-2940144	
	Number and street (or P O box if mail is not delivered to street address) 960 AVIS DRIVE		Room/suite	E Telephone number 510-527-4714
	City or town, state or province, country, and ZIP or foreign postal code EL CERRITO, CA 94530		G Gross receipts \$ 12,436,971.	
	F Name and address of principal officer: BILL HEBERT 960 AVIS DRIVE, EL CERRITO, CA 94530		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)() (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
	J Website: ► WWW.PROSPPECTSIERRA.ORG		H(c) Group exemption number ►	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		L Year of formation 1981 M State of legal domicile CA		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO EDUCATE CHILDREN IN GRADES K - 8TH BY DEVELOPING THE COGNITIVE SKILLS, EXPRESSIVE POTENTIAL, AND		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	14
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	157
	6 Total number of volunteers (estimate if necessary)	6	100
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	2,204.
b Net unrelated business taxable income from Form 990-T, line 34	7b	<5,454. >	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	700,644.	541,287.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11,079,616.	11,777,609.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	63,557.	82,142.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	64,657.	18,637.
		11,908,474.	12,419,675.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,547,598.	1,649,588.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	6,826,462.	6,871,691.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ► 43,601.	2,748,344.	2,936,145.
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	11,122,404.	11,457,424.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	786,070.	962,251.	
19 Revenue less expenses. Subtract line 18 from line 12	Beginning of Current Year	End of Year	
20 Total assets (Part X, line 16)	26,614,388.	27,479,391.	
21 Total liabilities (Part X, line 26)	19,999,546.	19,902,298.	
22 Net assets or fund balances. Subtract line 21 from line 20	6,614,842.	7,577,093.	

Part II Signature Block

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.

Sign Here	►  Signature of officer ►  Type or print name and title	Date 5/15/15
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Paid Preparer Use Only	Print/Type preparer's name PATRICIA A. WINTROATH	Preparer's signature 	Date 05/14/15	Check <input checked="" type="checkbox"/> if self-employed	PTIN P00430440
	Firm's name ► PATRICIA A. WINTROATH, CPA	Firm's EIN ►			
	Firm's address ► 2121 N. CALIFORNIA BLVD., SUITE 290 WALNUT CREEK, CA 94596	Phone no 925-974-3310			

May the IRS discuss this return with the preparer shown above? (see instructions)

332001 10-29-13 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2013)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

TO EDUCATE CHILDREN IN GRADES K - 8TH BY DEVELOPING THE COGNITIVE SKILLS, EXPRESSIVE POTENTIAL, AND POSITIVE ATTITUDES TOWARDS READING AND LEARNING.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code _____) (Expenses \$ **8,059,034.** including grants of \$ **1,649,588.**) (Revenue \$ **11,794,042.**)
PROVIDE EDUCATION FOR SCHOOL AGE CHILDREN IN GRADES KINDERGARTEN THROUGH 8TH.

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► **8,059,034.**

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?
If "Yes," complete Schedule A

2 Is the organization required to complete *Schedule B, Schedule of Contributors*?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*

9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*

b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*

c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*

e Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*

12a Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*

b Was the organization included in consolidated, independent audited financial statements for the tax year?
If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*

20a Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*

b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

	Yes	No
1	X	
2	X	
3		X
4		X
5		X
6		X
7		X
8		X
9		X
10	X	
11a	X	
11b		X
11c		X
11d	X	
11e	X	
11f		X
12a	X	
12b		X
13	X	
14a		X
14b		X
15		X
16		X
17		X
18		X
19		X
20a		X
20b		

Part IV Checklist of Required Schedules (continued)

21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J

24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25a

b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?

c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?

d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?

25a **Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I

b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I

26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III

28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).

a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations?
If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1

35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI

38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?
Note. All Form 990 filers are required to complete Schedule O

	Yes	No
21	X	
22	X	
23	X	
24a	X	
24b	X	
24c	X	
24d	X	
25a	X	
25b	X	
26	X	
27	X	
28a	X	
28b	X	
28c	X	
29	X	
30	X	
31	X	
32	X	
33	X	
34	X	
35a	X	
35b		
36	X	
37	X	
38	X	

Form 990 (2013)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	26		
1b	0		
1c	X		
2a	157		
2b	X		
3a	X		
3b			
4a	X		
5a	X		
5b	X		
5c			
6a	X		
6b			
7a	X		
7b			
7c	X		
7d			
7e	X		
7f	X		
7g			
7h			
8			
9a			
9b			
10a			
10b			
11a			
11b			
12a			
12b			
13a			
13b			
13c			
14a	X		
14b			

1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable

1b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable

1c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return

2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)

3a Did the organization have unrelated business gross income of \$1,000 or more during the year?

3b If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O

4a 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)?

4b If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?

5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?

5c If "Yes," to line 5a or 5b, did the organization file Form 8886-T?

6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?

6b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

7 **Organizations that may receive deductible contributions under section 170(c).**

7a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?

7b If "Yes," did the organization notify the donor of the value of the goods or services provided?

7c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

7d If "Yes," indicate the number of Forms 8282 filed during the year

7e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

7f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

7g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?

7h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?

8 **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?

9 **Sponsoring organizations maintaining donor advised funds.**

9a Did the organization make any taxable distributions under section 4966?

9b Did the organization make a distribution to a donor, donor advisor, or related person?

10 **Section 501(c)(7) organizations.** Enter:

10a Initiation fees and capital contributions included on Part VIII, line 12

10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities

11 **Section 501(c)(12) organizations.** Enter:

11a Gross income from members or shareholders

11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)

12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?

12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year

13 **Section 501(c)(29) qualified nonprofit health insurance issuers.**

13a Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O.

13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans

13c Enter the amount of reserves on hand

14a Did the organization receive any payments for indoor tanning services during the tax year?

14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

Check if Schedule O contains a response or note to any line in this Part VI X

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O	1a	14
1b		1b	14
2		2	X
3		3	X
4		4	X
5		5	X
6		6	X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following	8a	X
a	The governing body?	8b	X
b	Each committee with authority to act on behalf of the governing body?		
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a	X
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12b	X
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12c	X
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	13	X
13	Did the organization have a written whistleblower policy?	14	X
14	Did the organization have a written document retention and destruction policy?	15a	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?	15b	X
a	The organization's CEO, Executive Director, or top management official	16a	X
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	16b	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ►CA
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► <u>KATHERINE DINH - 510-527-4714</u> <u>960 AVIS DRIVE, EL CERRITO, CA 94530</u>

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
 Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter 0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

 Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) JIM MCSWEENEY TRUSTEE	0.70	X					0.	0.	0.
(2) VICTORIA GILLILAND TRUSTEE	0.70	X					0.	0.	0.
(3) DIANA DIVECHA TRUSTEE	0.70	X					0.	0.	0.
(4) SANDRA COLLINS TRUSTEE	0.70	X					0.	0.	0.
(5) ABBY FRANKLIN TRUSTEE	0.70	X					0.	0.	0.
(6) JENNIFER BURT TRUSTEE	0.70	X					0.	0.	0.
(7) BILL HEBERT BOARD CHAIR	0.70	X					0.	0.	0.
(8) DAVE MILLER TRUSTEE	0.70	X					0.	0.	0.
(9) LEO GASPARDONE SECRETARY	0.70		X				0.	0.	0.
(10) PAUL CHAPMAN TRUSTEE	0.70		X				0.	0.	0.
(11) KIM MARTINEZ TREASURER	0.70		X				0.	0.	0.
(12) JENNIFER CHATMAN TRUSTEE	0.70		X				0.	0.	0.
(13) KATHERINE DINH SCHOOL HEAD	40.00		X				280,000.	0.	14,583.
(14) ABIGAIL GUINN ELEMENTARY SCHOOL DIVISION HEAD	40.00		X				117,500.	0.	13,137.
(15) PEGGY SNYDER BUSINESS OFFICER	40.00		X				160,000.	0.	16,268.
(16) HEATHER ROGERS MIDDLE SCHOOL DIVISION HEA	40.00		X				115,007.	0.	28,300.
(17) WENDY HORNG BRAWER DIRECTOR OF ADVANCEMENT	40.00		X				128,000.	0.	19,922.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(18) RENEE THOMPSON DIRECTOR OF ADMISSIONS	40.00			X			105,000.	0.	13,750.
(19) GREGORY LEWIS TRUSTEE	0.70						0.	0.	0.
(20) DANA TILLSON TRUSTEE	0.70						0.	0.	0.
(21) AARON MANN TRUSTEE	0.70						0.	0.	0.
(22) ANDREA SAVERI TRUSTEE	0.70						0.	0.	0.
1b Sub-total							905,507.	0.	105,960.
c Total from continuation sheets to Part VII, Section A							0.	0.	0.
d Total (add lines 1b and 1c)							905,507.	0.	105,960.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ►

6

3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

Yes	No
3	X
4	X
5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
MARK BASANAGE 332 HIGHLAND AVENUE, SAN MATEO, CA 94401	TECHNOLOGY CONSULTANT	110,583.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►

1

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	541,287.		
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f		541,287.		
Program Service Revenue	2 a TUITION & ED. FEES	Business Code 900099	11,304,930.	11,304,930.	
	b SUMMER CAMP & REIMBURS.	900099	422,414.	422,414.	
	c SITE ASSESSMENTS	900099	50,265.	50,265.	
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f		11,777,609.		
	3 Investment income (including dividends, interest, and other similar amounts)		82,142.		82,142.
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6 a Gross rents	(i) Real 19,500.	(ii) Personal			
b Less: rental expenses	17,296.				
c Rental income or (loss)	2,204.				
d Net rental income or (loss)		►	2,204.	2,204.	
7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less: cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)		►			
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b Less: direct expenses	b				
c Net income or (loss) from fundraising events		►			
9 a Gross income from gaming activities See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities		►			
10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory		►			
Miscellaneous Revenue	Business Code				
11 a MISCELLANEOUS	900099	16,433.	16,433.		
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		16,433.			
12 Total revenue. See instructions		12,419,675.	11,794,042.	2,204.	82,142.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	1,649,588.	1,649,588.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	5,587,566.	3,817,440.	1,770,126.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	859,180.	579,747.	279,433.	
10 Payroll taxes	424,945.	280,511.	144,434.	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O)	515,137.	350,020.	165,117.	
12 Advertising and promotion				
13 Office expenses	9,551.		9,551.	
14 Information technology				
15 Royalties				
16 Occupancy	100,344.	100,344.		
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	474,796.	474,796.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	801,862.		801,862.	
23 Insurance	99,453.	99,453.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a CLASSROOM AND LIBRARY E	409,334.	409,334.		
b PROFESSIONAL DEVELOPMEN	55,363.	55,363.		
c TAXES AND GOVERNMENT CO	51,000.	44,628.	6,372.	
d WORKERS' COMPENSATION	47,558.	31,998.	15,560.	
e All other expenses	371,747.	165,812.	162,334.	43,601.
25 Total functional expenses. Add lines 1 through 24e	11,457,424.	8,059,034.	3,354,789.	43,601.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Check here ► if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,433,030.	1	7,363,886.
	2 Savings and temporary cash investments	1,668,145.	2	3,290,163.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	282,296.	4	743,914.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr) Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	6,352.	8	6,352.
	9 Prepaid expenses and deferred charges	33,586.	9	33,516.
	10a Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a 20,750,045.		
	b Less. accumulated depreciation	10b 7,527,795.	10c 13,267,124.	13,222,250.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	2,923,855.	15	2,819,310.
	16 Total assets. Add lines 1 through 15 (must equal line 34)	26,614,388.	16	27,479,391.
Liabilities	17 Accounts payable and accrued expenses	796,904.	17	767,139.
	18 Grants payable		18	
	19 Deferred revenue	4,854,231.	19	5,078,371.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	14,346,711.	23	14,055,088.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	1,700.	25	1,700.
	26 Total liabilities. Add lines 17 through 25	19,999,546.	26	19,902,298.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	5,593,387.	27	6,542,566.
	28 Temporarily restricted net assets	364,745.	28	377,817.
	29 Permanently restricted net assets	656,710.	29	656,710.
	Organizations that do not follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	6,614,842.	33	7,577,093.
	34 Total liabilities and net assets/fund balances	26,614,388.	34	27,479,391.

Form 990 (2013)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI

1	12,419,675.
2	11,457,424.
3	962,251.
4	6,614,842.
5	
6	
7	
8	
9	0.
10	7,577,093.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	X
2b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both. <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	X
2c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? 3b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3a	X
	3b	

Form 990 (2013)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number

94-2940144

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 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 exempt 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)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a Type I b Type II c Type III - Functionally integrated d Type III - Non-functionally integrated

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?	(vii) Amount of monetary support
			Yes	No	Yes	No		
Total								

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

Schedule A (Form 990 or 990-EZ) 2013

332021
09-25-13

15110514 794364 PROSPECT

2013.05080 PROSPECT SIERRA SCHOOL

PROSPECI

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► <input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	► <input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12.

Also complete this part for any additional information. (See instructions)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

► Attach to Form 990.

► Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013
Open to Public
Inspection

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number
94-2940144**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.		
a Total number of conservation easements		
b Total acreage restricted by conservation easements		
c Number of conservation easements on a certified historic structure included in (a)		
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register		
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►		
4 Number of states where property subject to conservation easement is located ►		
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►		
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$		
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.		

	Held at the End of the Tax Year
2a	
2b	
2c	
2d	

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.	
1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:	
(i) Revenues included in Form 990, Part VIII, line 1	► \$
(ii) Assets included in Form 990, Part X	► \$
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:	
a Revenues included in Form 990, Part VIII, line 1	► \$
b Assets included in Form 990, Part X	► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a Public exhibition
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	656,710.	645,229.	644,570.	642,725.	641,120.
b Contributions		11,398.	450.	1,845.	1,605.
c Net investment earnings, gains, and losses			83.	209.	522.
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	656,710.	656,710.	645,229.	644,570.	642,725.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Temporarily restricted endowment ► _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations
 (ii) related organizations

Yes	No
3a(i)	X
3a(ii)	X
3b	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,066,582.		1,066,582.
b Buildings		17,901,515.	6,258,086.	11,643,429.
c Leasehold improvements				
d Equipment		1,522,487.	1,126,077.	396,410.
e Other		259,461.	143,632.	115,829.

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ► 13,222,250.

Schedule D (Form 990) 2013

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12) ►		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) BOND ISSUANCE COSTS	2,819,310.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15) ►	2,819,310.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) RENTAL DEPOSITS	1,700.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	1,700.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1 Total revenue, gains, and other support per audited financial statements	1	12,419,675.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	12,419,675.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	12,419,675.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1 Total expenses and losses per audited financial statements	1	11,457,424.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIII.)	2d	
e Add lines 2a through 2d	2e	0.
3 Subtract line 2e from line 1	3	11,457,424.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIII.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	11,457,424.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART V, LINE 4:**EXPLANATION: INCOME FROM THE ENDOWMENTS IS USED TO FUND FINANCIAL AID,****LIBRARY PURCHASES, AND INTERNET UPGRADES.**

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

► Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.

► Attach to Form 990 or Form 990-EZ.

► Information about Schedule E (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number

94-2940144

Part I

- 1 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? 1 2 3
- 2 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? 1 2 3
- 3 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, use Part II

THE NONDISCRIMINATORY POLICY IS DESCRIBED IN THE SCHOOL'S BROCHURE AND PUBLISHED IN A REGIONAL NEWSPAPER.

- 4 Does the organization maintain the following?
 - a Records indicating the racial composition of the student body, faculty, and administrative staff? 4a 4b 4c 4d
 - b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? 4a 4b 4c 4d
 - c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? 4a 4b 4c 4d
 - d Copies of all material used by the organization or on its behalf to solicit contributions? 4a 4b 4c 4d

If you answered "No" to any of the above, please explain. If you need more space, use Part II.

- 5 Does the organization discriminate by race in any way with respect to

- a Students' rights or privileges? 5a 5b 5c 5d 5e 5f 5g 5h
- b Admissions policies? 5a 5b 5c 5d 5e 5f 5g 5h
- c Employment of faculty or administrative staff? 5a 5b 5c 5d 5e 5f 5g 5h
- d Scholarships or other financial assistance? 5a 5b 5c 5d 5e 5f 5g 5h
- e Educational policies? 5a 5b 5c 5d 5e 5f 5g 5h
- f Use of facilities? 5a 5b 5c 5d 5e 5f 5g 5h
- g Athletic programs? 5a 5b 5c 5d 5e 5f 5g 5h
- h Other extracurricular activities? 5a 5b 5c 5d 5e 5f 5g 5h

If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.

- 6a Does the organization receive any financial aid or assistance from a governmental agency? 6a 6b 7

- b Has the organization's right to such aid ever been revoked or suspended? 6a 6b 7

If you answered "Yes" to either line 6a or line 6b, explain on Part II.

- 7 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," explain on Part II 6a 6b 7

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

Schedule E (Form 990 or 990-EZ) (2013)

Part II

Supplemental Information. Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information.

LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

EXPLANATION: THE SCHOOL RECEIVES TITLE II FUNDS FROM THE LOCAL SCHOOL DISTRICT FOR TEACHER DEVELOPMENT.

Part III can be duplicated if additional space is needed.

Part III can be duplicated if additional space is needed.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
TUITION FINANCIAL AID SCHOLARSHIPS TO STUDENTS	0	0.	1,649,588.	AMOUNT OF REDUCTION IN TUITION AND FEES	

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THE FAMILY. FAMILY INCOME INFORMATION IS REQUIRED TO BE SUBMITTED BY THE FAMILY BEFORE ANY AWARD IS GRANTED.

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number
94-2940144

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

<input type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?
c Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?
b Any related organization?
If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?
b Any related organization?
If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

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Key Employees, and Highest Compensated Employees

Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row **i** and from related organizations, described in the instructions, on row **ii**.

Note. The sum of columns (B)(v)-(vii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

Part III: Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE K
(Form 990)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0047

2013

Open to Public
 Inspection

► Attach to Form 990. ► See separate instructions.

► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization **PROSPECT SIERRA SCHOOL** Employer identification number **94-2940144**

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.

► See separate instructions.

► Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

Part I Bond Issues		SEE PART VI FOR COLUMN (F) CONTINUATIONS	
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued
			(e) Issue price
CALIFORNIA MUNICIPAL A FINANCE AUTHORITY	20-1563466	NONE	06/20/13
B			
C			
D			

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired				
2 Amount of bonds legally defeased				
3 Total proceeds of issue		12,950,000.		
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds		282,961.		
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds		12,667,039.		
12 Other unspent proceeds				
13 Year of substantial completion		2007		
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			
15 Were the bonds issued as part of an advance refunding issue?	X			
16 Has the final allocation of proceeds been made?	X			
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			

Part III Private Business Use

	A	B	C	D
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No
2 Are there any lease arrangements that may result in private business use of bond-financed property?	X			

Part III Private Business Use (Continued)

	A	B	C	D
	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X			
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X			
c Are there any research agreements that may result in private business use of bond-financed property?	X			
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?				
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	►			
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	►	3.00	%	%
6 Total of lines 4 and 5	X	3.00	%	%
7 Does the bond issue meet the private security or payment test?	X			
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?	X			
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of				
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?				
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X			
Part IV Arbitrage				
	A	B	C	D
	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?	X			
2 If "No" to line 1, did the following apply?				
a Rebate not due yet?	X			
b Exception to rebate?	X			
c No rebate due?	X			
d If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed				
3 Is the bond issue a variable rate issue?	X			
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X			
b Name of provider				
c Term of hedge				
d Was the hedge superintegrated?				
e Was the hedge terminated?				

Part IV Arbitrage (Continued)

	A	B	C	D
	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?				
b Name of provider				
c Term of GIC				
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?				
6 Were any gross proceeds invested beyond an available temporary period?	X			
7 Has the organization established written procedures to monitor the requirements of section 148?	X			

Part V Procedures To Undertake Corrective Action

	A	B	C	D
	Yes	No	Yes	No
Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?				

Part VI Supplemental Information Provide additional information for responses to questions on Schedule K (see instructions).**SCHEDULE K, PART I, BOND ISSUES:**

(A) ISSUER NAME: CALIFORNIA MUNICIPAL FINANCE AUTHORITY

(F) DESCRIPTION OF PURPOSE: REFINANCE BOND FOR CAPITAL IMPROVEMENT PROJECT

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

► Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public
Inspection

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number
94-2940144

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

POSITIVE ATTITUDES TOWARDS READING AND LEARNING.

FORM 990, PART VI, SECTION B, LINE 11:

EXPLANATION: THE FORM 990 IS PREPARED BY THE SCHOOL'S INDEPENDENT AUDITOR
THEN MADE AVAILABLE TO THE ACCOUNTANT FOR REVIEW AND UPON COMPLETION MADE
AVAILABLE TO THE HEAD OF SCHOOL AND BOARD CHAIR.

FORM 990, PART VI, SECTION B, LINE 12C:

EXPLANATION: THE BOARD CHAIR ADMINISTERS THE POLICY AND IS MINDFUL IF THERE
ARE ANY CONFLICTS OF INTEREST. THE OFFICERS, TRUSTEES, AND KEY EMPLOYEES
ARE REQUIRED TO DISCLOSE AN INTEREST THAT COULD GIVE RISE TO CONFLICTS AT
THE BEGINNING OF EACH SCHOOL YEAR.

FORM 990, PART VI, SECTION B, LINE 15:

EXPLANATION: THE SALARY FOR THE HEAD OF SCHOOL IS SET BY THE BOARD OF
TRUSTEES BASED ON NAIS DATA FOR A SIMILAR POSITION. THE SALARY FOR KEY
EMPLOYEES IS SET BY THE HEAD OF SCHOOL AND THE BUSINESS OFFICER, BASED ON
MARKET CONDITIONS, NAIS DATA AND COMPARABILITY DATA.

FORM 990, PART VI, SECTION C, LINE 18:

EXPLANATION: THE ORGANIZATION MAKES COPIES OF ITS FORM 1023 AND FORM 990
AVAILABLE TO THE PUBLIC UPON REQUEST, EITHER BY MAIL OR THE REQUESTOR CAN
VIEW THE DOCUMENTS AT THE ORGANIZATION'S OFFICE.

FORM 990, PART VI, SECTION C, LINE 19:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
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Schedule O (Form 990 or 990-EZ) (2013)

Name of the organization

PROSPECT SIERRA SCHOOL

Employer identification number
94-2940144

EXPLANATION: THE ORGANIZATION MAKES COPIES OF ITS GOVERNING DOCUMENTS,
CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE
PUBLIC UPON REQUEST, EITHER BY MAIL OR THE REQUESTOR CAN VIEW THE DOCUMENTS
AT THE ORGANIZATION'S OFFICE.

FORM 990, PART XII, LINE 2C

EXPLANATION: THE ORGANIZATION HAS NOT CHANGED ITS SELECTION OR
OVERSIGHT PROCESS RELATED TO THE AUDIT OF THEIR FINANCIAL STATEMENTS.