

Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2008****Open to Public Inspection**Department of the Treasury  
Internal Revenue Service

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

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

<b>A</b> For the 2008 calendar year, or tax year beginning , 2008, and ending , 20	
<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>Delancey Street Foundation</b> Doing Business As _____ Number and street (or P O box if mail is not delivered to street address) Room/suite <b>600 Embarcadero</b> City or town, state or country, and ZIP + 4 <b>San Francisco CA 94107-2116</b>
	<b>D</b> Employer identification number <b>23 7102690</b>
	<b>E</b> Telephone number <b>( 415 ) 957-9800</b>
	<b>G</b> Gross receipts \$ <b>128,054,557.</b>
	<b>F</b> Name and address of principal officer <b>Mimi Silbert</b> <b>600 Embarcadero, San Francisco, CA 94107</b>
<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶	
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) ( 3 ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
<b>J</b> Website: ▶ <b>delanceystreetfoundation.org</b>	
<b>K</b> Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	
<b>L</b> Year of formation <b>1971</b> <b>M</b> State of legal domicile <b>CA</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>Provide long-term residential housing and on-the-job vocational training, education and basic life skills to former drug/alcohol abusers, homeless and others. Residents obtain a minimum of high school equivalency and gain the job and life skills needed to return to various communities as decent, law abiding individuals.</b>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	14
	5	Total number of employees (Part V, line 2a)	17
	6	Total number of volunteers (estimate if necessary)	300
	<b>Revenue</b>	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)
7b		Net unrelated business taxable income from Form 990-T, line 34	0
<b>Expenses</b>	8	Contributions and grants (Part VIII, line 1h)	10,819,693
	9	Program service revenue (Part VIII, line 2g)	7,392,730
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,014,882
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,097,765
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	26,325,070
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
<b>Net Assets or Fund Balances</b>	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	779,756
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>48,585</b>	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-11h, 11j-11k, 11m-11n, 11o-11p, 11q-11r, 11s-11t, 11u-11v, 11w-11x, 11y-11z, 11aa-11ab, 11ac-11ad, 11ae-11af, 11ag-11ah, 11ai-11aj, 11ak-11al, 11am-11an, 11ao-11ap, 11aq-11ar, 11as-11at, 11au-11av, 11aw-11ax, 11ay-11az, 11ba-11bb, 11bc-11bd, 11be-11bf, 11bg-11bh, 11bi-11bj, 11bk-11bl, 11bm-11bn, 11bo-11bp, 11bq-11br, 11bs-11bt, 11bu-11bv, 11bw-11bx, 11by-11bz, 11ca-11cb, 11cc-11cd, 11ce-11cf, 11cg-11ch, 11ci-11cj, 11ck-11cl, 11cm-11cn, 11co-11cp, 11cq-11cr, 11cs-11ct, 11cu-11cv, 11cw-11cx, 11cy-11cz, 11da-11db, 11dc-11dd, 11de-11df, 11dg-11dh, 11di-11dj, 11dk-11dl, 11dm-11dn, 11do-11dp, 11dq-11dr, 11ds-11dt, 11du-11dv, 11dw-11dx, 11dy-11dz, 11ea-11eb, 11ec-11ed, 11ee-11ef, 11eg-11eh, 11ei-11ej, 11ek-11el, 11em-11en, 11eo-11ep, 11eq-11er, 11es-11et, 11eu-11ev, 11ew-11ex, 11ey-11ez, 11fa-11fb, 11fc-11fd, 11fe-11ff, 11fg-11fh, 11fi-11fj, 11fk-11fl, 11fm-11fn, 11fo-11fp, 11fq-11fr, 11fs-11ft, 11fu-11fv, 11fw-11fx, 11fy-11fz, 11ga-11gb, 11gc-11gd, 11ge-11gf, 11gg-11gh, 11gi-11gj, 11gk-11gl, 11gm-11gn, 11go-11gp, 11gq-11gr, 11gs-11gt, 11gu-11gv, 11gw-11gx, 11gy-11gz, 11ha-11hb, 11hc-11hd, 11he-11hf, 11hg-11hh, 11hi-11hj, 11hk-11hl, 11hm-11hn, 11ho-11hp, 11hq-11hr, 11hs-11ht, 11hu-11hv, 11hw-11hx, 11hy-11hz, 11ia-11ib, 11ic-11id, 11ie-11if, 11ig-11ih, 11ii-11ij, 11ik-11il, 11im-11in, 11io-11ip, 11iq-11ir, 11is-11it, 11iu-11iv, 11iw-11ix, 11iy-11iz, 11ja-11jb, 11jc-11jd, 11je-11jf, 11jg-11jh, 11ji-11jj, 11jk-11jl, 11jm-11jn, 11jo-11jp, 11jq-11jr, 11js-11jt, 11ju-11jv, 11jw-11jx, 11jy-11jz, 11ka-11kb, 11kc-11kd, 11ke-11kf, 11kg-11kh, 11ki-11kj, 11kk-11kl, 11km-11kn, 11ko-11kp, 11kq-11kr, 11ks-11kt, 11ku-11kv, 11kw-11kx, 11ky-11kz, 11la-11lb, 11lc-11ld, 11le-11lf, 11lg-11lh, 11li-11lj, 11lk-11ll, 11lm-11ln, 11lo-11lp, 11lq-11lr, 11ls-11lt, 11lu-11lv, 11lw-11lx, 11ly-11lz, 11ma-11mb, 11mc-11md, 11me-11mf, 11mg-11mh, 11mi-11mj, 11mk-11ml, 11mm-11mn, 11mo-11mp, 11mq-11mr, 11ms-11mt, 11mu-11mv, 11mw-11wx, 11my-11mz, 11na-11nb, 11nc-11nd, 11ne-11nf, 11ng-11nh, 11ni-11nj, 11nk-11nl, 11nm-11nn, 11no-11np, 11nq-11nr, 11ns-11nt, 11nu-11nv, 11nw-11nx, 11ny-11nz, 11oa-11ob, 11oc-11od, 11oe-11of, 11og-11oh, 11oi-11oj, 11ok-11ol, 11om-11on, 11oo-11op, 11oq-11or, 11os-11ot, 11ou-11ov, 11ow-11ox, 11oy-11oz, 11pa-11pb, 11pc-11pd, 11pe-11pf, 11pg-11ph, 11pi-11pj, 11pk-11pl, 11pm-11pn, 11po-11pp, 11pq-11pr, 11ps-11pt, 11pu-11pv, 11pw-11px, 11py-11pz, 11qa-11qb, 11qc-11qd, 11qe-11qf, 11qg-11qh, 11qi-11qj, 11qk-11ql, 11qm-11qn, 11qo-11qp, 11qq-11qr, 11qs-11qt, 11qu-11qv, 11qw-11qx, 11qy-11qz, 11ra-11rb, 11rc-11rd, 11re-11rf, 11rg-11rh, 11ri-11rj, 11rk-11rl, 11rm-11rn, 11ro-11rp, 11rq-11rr, 11rs-11rt, 11ru-11rv, 11rw-11rx, 11ry-11rz, 11sa-11sb, 11sc-11sd, 11se-11sf, 11sg-11sh, 11si-11sj, 11sk-11sl, 11sm-11sn, 11so-11sp, 11sq-11sr, 11ss-11st, 11su-11sv, 11sw-11sx, 11sy-11sz, 11ta-11tb, 11tc-11td, 11te-11tf, 11tg-11th, 11ti-11tj, 11tk-11tl, 11tm-11tn, 11to-11tp, 11tq-11tr, 11ts-11tt, 11tu-11tv, 11tw-11tx, 11ty-11tz, 11ua-11ub, 11uc-11ud, 11ue-11uf, 11ug-11uh, 11ui-11uj, 11uk-11ul, 11um-11un, 11uo-11up, 11uq-11ur, 11us-11ut, 11uu-11uv, 11uw-11ux, 11uy-11uz, 11va-11vb, 11vc-11vd, 11ve-11vf, 11vg-11vh, 11vi-11vj, 11vk-11vl, 11vm-11vn, 11vo-11vp, 11vq-11vr, 11vs-11vt, 11vu-11vv, 11vw-11vx, 11vy-11vz, 11wa-11wb, 11wc-11wd, 11we-11wf, 11wg-11wh, 11wi-11wj, 11wk-11wl, 11wm-11wn, 11wo-11wp, 11wq-11wr, 11ws-11wt, 11wu-11wv, 11ww-11wx, 11wy-11wz, 11xa-11xb, 11xc-11xd, 11xe-11xf, 11xg-11xh, 11xi-11xj, 11xk-11xl, 11xm-11xn, 11xo-11xp, 11xq-11xr, 11xs-11xt, 11xu-11xv, 11xw-11xx, 11xy-11xz, 11ya-11yb, 11yc-11yd, 11ye-11yf, 11yg-11yh, 11yi-11yj, 11yk-11yl, 11ym-11yn, 11yo-11yp, 11yq-11yr, 11ys-11yt, 11yu-11yv, 11yw-11yx, 11yy-11yz, 11za-11zb, 11zc-11zd, 11ze-11zf, 11zg-11zh, 11zi-11zj, 11zk-11zl, 11zm-11zn, 11zo-11zp, 11zq-11zr, 11zs-11zt, 11zu-11zv, 11zw-11zx, 11zy-11zz	18,885,167
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	21,095,891
	19	Revenue less expenses. Subtract line 18 from line 12	5,229,179
	<b>Net Assets or Fund Balances</b>	20	Total assets (Part X, line 16)
21		Total liabilities (Part X, line 26)	16,936,989
22		Net assets or fund balances. Subtract line 21 from line 20	86,350,011

**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.			
<b>Sign Here</b>	<b>Charlotte Balcer Harper</b> Signature of officer		<b>NOV 12, 2009</b> Date
	<b>Charlotte Balcer Harper</b> Type or print name and title		
<b>Paid Preparer's Use Only</b>	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	EIN ▶	Preparer's identifying number (see instructions)

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2008)

**Part III** Statement of Program Service Accomplishments (see instructions)

- 1** Briefly describe the organization's mission:  
The rehabilitation of criminals and drug and alcohol caused debilities; educating the public about poverty,  
alcohol and substance use and criminal behavior; the establishment of a residential educational center  
teaching academic and vocational skills, life skills, values, and habits leading toward a life in the  
mainstream of society; and the establishment of related schools, institutes and training programs.
- 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 exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 18,252,999 including grants of \$ 80,000 ) (Revenue \$ 9,239,510 )  
Serving an average population of 1,500 former drug/alcohol abusers, homeless and others in providing long term  
residential housing, on-the-job vocational training, education, and basic life skills on a 24 hour basis for a minimum  
2 year period. Senior residents serve as "staff" and no salaries are paid. Many residents receive high school  
equivalency or above and all who graduated obtained gainful employment and returned to various communities  
as decent, law abiding individuals.

**4b** (Code: ) (Expenses \$ 1,172,390 including grants of \$ 0 ) (Revenue \$ 0 )  
Delancey Street operates a public charter high school, the Life Learning Academy, designed to engage and educate  
students with profound histories of school failure and other high-risk behaviors. The school serves 70 high  
school-aged students with pronounced histories of school disengagement and failure, juvenile delinquency and  
other high-risk behaviors and risk factors including gang involvement, substance abuse, family crisis, poverty, and  
abuse. Senior Delancey Street residents serve as mentors to the students and the only salaried employees of the  
Delancey Street Foundation are the credentialed teachers.

**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 ► \$ 19,425,389 (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	<input checked="" type="checkbox"/>	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors? . . . . .	<input checked="" type="checkbox"/>	
<b>3</b> 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 . . . . .		<input checked="" type="checkbox"/>
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II . . . . .		<input checked="" type="checkbox"/>
<b>5</b> <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III . . . . .		
<b>6</b> Did the organization maintain any donor advised funds or any accounts where 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 . . . . .		<input checked="" type="checkbox"/>
<b>7</b> 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 . . . . .		<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .		<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21; 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 . . . . .		<input checked="" type="checkbox"/>
<b>10</b> Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V . . . . .		<input checked="" type="checkbox"/>
<b>11</b> Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable . . . . .	<input checked="" type="checkbox"/>	
<b>12</b> Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII . . . . .	<input checked="" type="checkbox"/>	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .		<input checked="" type="checkbox"/>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the U.S.? . . . . .		<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I . . . . .		<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II . . . . .		<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III . . . . .		<input checked="" type="checkbox"/>
<b>17</b> Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I . . . . .		<input checked="" type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .		<input checked="" type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .		<input checked="" type="checkbox"/>
<b>20</b> Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . . . .		<input checked="" type="checkbox"/>
<b>21</b> Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .	<input checked="" type="checkbox"/>	
<b>22</b> Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III . . . . .		<input checked="" type="checkbox"/>
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J . . . . .		<input checked="" type="checkbox"/>
<b>24a</b> 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 questions 24b-24d and complete Schedule K. If "No," go to question 25. . . . .		<input checked="" type="checkbox"/>
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I . . . . .		<input checked="" type="checkbox"/>
<b>b</b> Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I . . . . .		<input checked="" type="checkbox"/>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II . . . . .		<input checked="" type="checkbox"/>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III . . . . .		<input checked="" type="checkbox"/>

**Part IV** Checklist of Required Schedules (continued)

	Yes	No
<b>28</b> During the tax year, did any person who is a current or former officer, director, trustee, or key employee.		
<b>a</b> Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>b</b> Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>c</b> Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV . . . . .		✓
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .	✓	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .		✓
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .		✓
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .		✓
<b>33</b> 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 . . . . .		✓
<b>34</b> Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . . . .	✓	
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .		✓
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .		✓
<b>37</b> 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 . . . . .		✓

**Part V** Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable . . . . .	<b>1a</b>	<b>43</b>
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable . . . . .	<b>1b</b>	<b>0</b>
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .	<b>1c</b>	✓
<b>2a</b>	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 . . . . .	<b>2a</b>	<b>21</b>
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	<b>2b</b>	✓
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	<b>3a</b>	✓
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .	<b>3b</b>	
<b>4a</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)? . . . . .	<b>4a</b>	✓
<b>b</b>	If "Yes," enter the name of the foreign country. ▶ . . . . . See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .	<b>5a</b>	✓
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .	<b>5b</b>	✓
<b>c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .	<b>5c</b>	
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible? . . . . .	<b>6a</b>	✓
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? . . . . .	<b>7a</b>	✓
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .	<b>7b</b>	
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .	<b>7c</b>	✓
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year . . . . .	<b>7d</b>	
<b>e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<b>7e</b>	✓
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .	<b>7f</b>	✓
<b>g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . . .	<b>7g</b>	✓
<b>h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .	<b>7h</b>	✓
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .	<b>8</b>	
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966? . . . . .	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12. . . . .	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . .	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders . . . . .	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041? . . . . .	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year. . . . .	<b>12b</b>	

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

	Yes	No
<i>For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.</i>		
<b>1a</b> Enter the number of voting members of the governing body . . . . .	<b>1a</b> 15	
<b>b</b> Enter the number of voting members that are independent . . . . .	<b>1b</b> 14	
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	<b>2</b> ✓	
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	<b>3</b>	✓
<b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	<b>4</b>	✓
<b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	<b>5</b>	✓
<b>6</b> Does the organization have members or stockholders? . . . . .	<b>6</b>	✓
<b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	<b>7a</b>	✓
<b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	<b>7b</b>	✓
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: . . . . .		
<b>a</b> The governing body? . . . . .	<b>8a</b> ✓	
<b>b</b> Each committee with authority to act on behalf of the governing body? . . . . .	<b>8b</b> ✓	
<b>9a</b> Does the organization have local chapters, branches, or affiliates? . . . . .	<b>9a</b>	✓
<b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	<b>9b</b>	
<b>10</b> Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . .	<b>10</b> ✓	
<b>11</b> Is there any officer, director or 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 . . . . .	<b>11</b>	✓

**Section B. Policies**

	Yes	No
<b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	<b>12a</b>	✓
<b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	<b>12b</b>	
<b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	<b>12c</b>	
<b>13</b> Does the organization have a written whistleblower policy? . . . . .	<b>13</b>	✓
<b>14</b> Does the organization have a written document retention and destruction policy? . . . . .	<b>14</b> ✓	
<b>15</b> 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. . . . .		
<b>a</b> The organization's CEO, Executive Director, or top management official? . . . . .	<b>15a</b>	✓
<b>b</b> Other officers or key employees of the organization? . . . . .	<b>15b</b>	✓
Describe the process in Schedule O. (see instructions) . . . . .		
<b>16a</b> 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>16a</b>	✓
<b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	<b>16b</b>	

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed ► California, Connecticut, Oregon

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Charlotte Baker Harper, 600 Embarcadero, San Francisco, CA 94107 415-957-9800

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

• 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 the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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	Former			
Mimi H. Silbert President / CEO, Director	60	✓		✓				-0-	-0-	-0-
Abe Irizarry Vice-President, Director	60	✓		✓				-0-	-0-	-0-
Clarence Toliver Vice-President, Director	1	✓		✓				-0-	-0-	-0-
Charlotte Baker Harper Secretary-Treasurer, Director	60	✓		✓				-0-	-0-	-0-
Angela Norman Director	5	✓						-0-	-0-	-0-
Michael Berger Director	1	✓						-0-	-0-	-0-
Shirley Lamarr Director	1	✓						-0-	-0-	-0-
Alice Watson Director	1	✓						-0-	-0-	-0-
Dugald Stermer Director	1	✓						-0-	-0-	-0-
Conrad Laran Director	5	✓						-0-	-0-	-0-
Stephanie Muller Director	60	✓						-0-	-0-	-0-
Jerry Raymond Director	60	✓						-0-	-0-	-0-
Teri Lynch DeLane Director	20	✓						36,000	-0-	-0-
Michael DeLane Director	5	✓						-0-	-0-	-0-
Jack Scott Director	1	✓						-0-	-0-	-0-

<b>Part VII</b>	<b>Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees</b> <i>(continued)</i>
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[illegible]

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 0

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		✓
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? <i>If "Yes," complete Schedule J for such individual</i>		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		✓

## 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.

(A) Name and business address	(B) Description of services	(C) Compensation
<b>Deloitte &amp; Touche</b>	<b>Audit</b>	<b>\$116,500.00</b>
<b>PO Box 7247-6446, Philadelphia, PA 19170-6446</b>		
<b>2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ► 1</b>		



**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b> Membership dues . . . . .	<b>1b</b>					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>					
	<b>d</b> Related organizations . . . . .	<b>1d</b>					
	<b>e</b> Government grants (contributions) . . . . .	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	10,255,925				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		6,981,559				
	<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		10,255,925				
<b>Program Service Revenue</b>			<b>Business Code</b>				
	<b>2a</b> Vocational Training Schools . . . . .		624310	5,112,322	5,112,322		
	<b>b</b> . . . . .						
	<b>c</b> . . . . .						
	<b>d</b> . . . . .						
	<b>e</b> . . . . .						
	<b>f</b> All other program service revenue . . . . .						
	<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .			5,112,322			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .			2,558,357			2,558,357
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .						
	<b>5</b> Royalties . . . . .						
		(i) Real	(ii) Personal				
	<b>6a</b> Gross Rents . . . . .	390,012					
	<b>b</b> Less: rental expenses . . . . .	22,571					
	<b>c</b> Rental income or (loss) . . . . .	367,441					
	<b>d</b> Net rental income or (loss) . . . . .			367,441			367,441
		(i) Securities	(ii) Other				
	<b>7a</b> Gross amount from sales of assets other than inventory . . . . .	92,737,020	10,176,458				
	<b>b</b> Less: cost or other basis and sales expenses . . . . .	99,154,861	125,000				
	<b>c</b> Gain or (loss) . . . . .	(6,417,841)	10,051,458				
	<b>d</b> Net gain or (loss) . . . . .			3,633,617			3,633,617
	<b>8a</b> Gross income from fundraising events (not including \$ . . . . . of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>a</b>					
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>					
	<b>c</b> Net income or (loss) from fundraising events . . . . .						
	<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	<b>a</b>					
	<b>b</b> Less: direct expenses . . . . .	<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities . . . . .							
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>	6,824,463					
<b>b</b> Less: cost of goods sold . . . . .	<b>b</b>	2,697,275					
<b>c</b> Net income or (loss) from sales of inventory . . . . .			4,127,188	4,127,188			
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
<b>11a</b> . . . . .							
<b>b</b> . . . . .							
<b>c</b> . . . . .							
<b>d</b> All other revenue . . . . .							
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .							
<b>12</b> <b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .				26,054,850	9,239,510		6,559,415

**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) but are not required to complete columns (B), (C), and (D).

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		(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 U.S. See Part IV, line 21	80,000	80,000		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. 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	673,223	646,294	20,197	6,732
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	40,789	39,157	1,224	408
9	Other employee benefits	45,805	43,973	1,374	458
10	Payroll taxes	52,960	50,842	1,589	529
11	Fees for services (non-employees):				
a	Management				
b	Legal	39,279	39,279		
c	Accounting	158,260	158,260		
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other	248,226	248,226		
12	Advertising and promotion	23,498	23,498		
13	Office expenses	1,636,654	1,595,738	16,367	24,549
14	Information technology	14,706	14,706		
15	Royalties	11,201	11,201		
16	Occupancy	3,181,720	3,102,177	63,634	15,909
17	Travel	1,584,999	1,426,499	158,500	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,320,273	1,293,868	26,405	
23	Insurance	1,467,955	1,453,275	14,680	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Donated Goods Expense	6,981,558	6,981,558		
b	Food Expense	1,359,457	1,359,457		
c	Resident Graduation Expense	287,523	287,523		
d	Resident Stipend Expense	146,453	146,453		
e	Repair & Maintenance Equipment	135,628	135,628		
f	All other expenses	287,777	287,777		
25	<b>Total functional expenses.</b> Add lines 1 through 24f	19,777,944	19,425,389	303,970	48,585
26	<b>Joint Costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest-bearing	1,033,884	1	654,419
	2 Savings and temporary cash investments	13,573,131	2	45,986,855
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	728,659	4	647,252
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	97,125	8	207,490
	9 Prepaid expenses and deferred charges	301,667	9	260,427
	10a Land, buildings, and equipment, cost basis	44,461,752		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	21,451,281	10c	23,010,471
	11 Investments—publicly traded securities	62,995,424	11	26,623,196
	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	367,760	15	332,214
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	103,287,000	16	97,722,324	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	721,288	17	724,641
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	1,462,104	20	1,462,104
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 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	14,156,603	23	3,980,145
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	596,994	25	595,080
	26 <b>Total liabilities.</b> Add lines 17 through 25	16,936,989	26	6,761,970
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	86,120,727	27	90,722,454
	28 Temporarily restricted net assets	229,284	28	237,900
	29 Permanently restricted net assets	0	29	0
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	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	86,350,011	33	90,960,354
	34 <b>Total liabilities and net assets/fund balances</b>	103,287,000	34	97,722,324

**Part XI Financial Statements and Reporting**1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to lines 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?

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?

b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a		✓
3b		

Department of the Treasury  
Internal Revenue Service

**To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.**

**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2008

**Open to Public Inspection**

Name of the organization

Employer identification number

## Delancey Street Foundation

23 | 7102690

**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. (Please check only **one** organization.)

- 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).** (Attach Schedule H.)

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 33⅓ % 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 33⅓ % 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).** (see instructions)

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—Other

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 organizations the organization supports.

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

[illegible]

**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.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	\$7,180,242	\$6,831,860	\$8,667,522	\$10,819,693	\$10,255,925	\$43,755,242
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0	0	0	0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0	0	0	0
<b>4</b> <b>Total.</b> Add lines 1-3	\$7,180,242	\$6,831,860	\$8,667,522	\$10,819,693	\$10,255,925	\$43,755,242
<b>5</b> 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)						\$1,319,059
<b>6</b> <b>Public support.</b> Subtract line 5 from line 4						\$ 42,436,183

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4	\$7,180,242	\$6,831,860	\$8,667,522	\$10,819,693	\$10,255,925	\$ 43,755,242
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	\$1,711,008	\$1,831,069	\$4,135,077	\$3,690,950	\$2,558,357	\$13,926,461
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on	0	0	0	0	0	0
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	\$14,347,854	\$14,923,093	\$12,112,533	\$11,814,421	\$9,606,951	\$62,804,852
<b>11</b> <b>Total support.</b> Add lines 7 through 10						120,486,555
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	\$79,170,424
<b>13</b> <b>First five years.</b> 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 <b>stop here</b> ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	<b>35 %</b>
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	<b>74 %</b>
<b>16a</b> <b>33⅓ % support test—2008.</b> If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>		
<b>b</b> <b>33⅓ % support test—2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>17a</b> <b>10%-facts-and-circumstances test—2008.</b> 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 <b>stop here.</b> 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>b</b> <b>10%-facts-and-circumstances test—2007.</b> 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 <b>stop here.</b> 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>18</b> <b>Private foundation.</b> 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.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") . . . . .						
<b>2</b> 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 . . . . .						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
<b>6 Total.</b> Add lines 1-5 . . . . .						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
<b>c</b> Add lines 7a and 7b . . . . .						
<b>8 Public support</b> (Subtract line 7c from line 6) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6 . . . . .						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
<b>c</b> Add lines 10a and 10b . . . . .						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV) . . . . .						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12) . . . . .						
<b>14 First five years.</b> 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 <b>stop here</b> . . . . . <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2008</b> (line 10c, column (f) divided by line 13, column (f)) . . . . .	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2007</b> Schedule A, Part IV-A, line 27h . . . . .	<b>18</b>	%

**19a 33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

**b 33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, 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.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

Part II, line 10

This income is a result of vocational on-the-job training schools such as moving services, handcrafted product sales,

Xmas season retail sales, xmas commercial decorating services, catering services, which teach viable job skills to

otherwise unemployable residents of our minimum two year residential drug/alcohol facility. This on-the-job training, as

well as teaching life skills, is an integral part of our exempt purpose:

furnishing/rental of facilities 2004 thru 2008: \$ 2,469,387

vocational training sales and services 2004 thru 2008: \$60,335,465

**SCHEDULE D  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

Name of the organization

**Delancey Street Foundation**

Employer identification number

**23 7102690**

**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? . . . . . ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? . . . . . ☐ Yes ☐ 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 pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06 . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable 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, violations, and enforcement of the conservation easements it holds? . . . . . ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► . . . . .

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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)? . . . . . ☐ Yes ☐ No

9 In Part XIV, 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

**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, 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 XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, 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 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 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                      **d** ☐ Loan or exchange programs  
**b** ☐ Scholarly research                      **e** ☐ Other \_\_\_\_\_  
**c** ☐ Preservation for future generations

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

**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 Trust, Escrow and Custodial Arrangements.** Complete if 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 XIV and complete the following table:

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

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

**b** If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if 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
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Investment earnings or losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

**2** Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶ \_\_\_\_\_%  
**b** Permanent endowment ▶ \_\_\_\_\_%  
**c** Term endowment ▶ \_\_\_\_\_%

**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

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

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

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
<b>1a</b> Land		7,457,813		7,457,813
<b>b</b> Buildings		32,880,757	18,102,041	14,778,716
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		4,123,182	3,349,240	773,942
<b>e</b> Other				
<b>Total.</b> Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				23,010,471

**Part VII Investments—Other Securities.** 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
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments—Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
Interest Receivable	284,652
Refundable Deposits	47,370
BART Tickets	192
Total. (Column (b) should equal Form 990, Part X, col. (B) line 15.) ▶	
	332,214

**Part X Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
Retirement Fund Payable	305,649
Deferred Rent Payable	289,431
Total. (Column (b) should equal Form 990, Part X, col. (B) line 25.) ▶	
	595,080

In Part XIV, 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

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	26,054,850
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	19,777,944
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	6,276,906
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	(1,666,562)
<b>5</b>	Donated services and use of facilities	<b>5</b>	97,026
<b>6</b>	Investment expenses	<b>6</b>	0
<b>7</b>	Prior period adjustments	<b>7</b>	0
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	(97,026)
<b>9</b>	Total adjustments (net). Add lines 4–8	<b>9</b>	(1,666,562)
<b>10</b>	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	<b>10</b>	4,610,344

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	36,075,239
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	9,765,926
<b>b</b>	Donated services and use of facilities	<b>2b</b>	97,026
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV)	<b>2d</b>	157,437
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	10,020,389
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	26,054,850
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	0
<b>b</b>	Other (Describe in Part XIV)	<b>4b</b>	0
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	0
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 12.)	<b>5</b>	26,054,850

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	31,464,895
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	97,026
<b>b</b>	Prior year adjustments	<b>2b</b>	0
<b>c</b>	Losses reported on Form 990, Part IX, line 25	<b>2c</b>	0
<b>d</b>	Other (Describe in Part XIV)	<b>2d</b>	11,589,925
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	11,686,951
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	19,777,944
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	0
<b>b</b>	Other (Describe in Part XIV)	<b>4b</b>	0
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	0
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 18.)	<b>5</b>	19,777,944

**Part XIV Supplemental Information**

Complete this part to 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, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

**Part XI, line 8**

Donated Service Expense - \$97,026

**Part XII, line 2d**

Rental Expense (Form 990, Part VIII, line 6b(i)) - \$22,571

Sales Expense (Form 990, Part VIII, line 7b(ii)) - \$125,000

Freight Expense (part of Form 990, Part VIII, line 10b) - \$9,866

**Part XIV** Supplemental Information *(continued)*

Part XIII, line 2d

Rental Expense (Form 990, Part VIII, line 6b(i)) - \$22,571

Sales Expense (part of Form 990, Part VIII, line 7b(i)) - \$120,557

Sales Expense (Form 990, Part VIII, line 7b(ii)) - \$125,000

Freight Expense (part of Form 990, Part VIII, line 10b) - \$9,866

Loss on Investments &amp; Foreign Taxes Paid on Investments per Audit - \$11,311,931

Name of the organization

## Delancey Street Foundation

**Emp** **23**

**7102690**

## Part I General Information on Grants and Assistance

- |   |   |           |   |                             |
|---|---|-----------|---|-----------------------------|
| 1 | Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? | . . . . . | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2 | Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.   | . . . . . |   |                             |

**Part II** Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on

**Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

[illegible]

**For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Cat No 50055P

Schedule I (Form 990) 2008



**SCHEDULE M  
(Form 990)**Department of the Treasury  
Internal Revenue Service**NonCash Contributions**

► To be completed by organizations that answered "Yes"  
on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No 1545-0047

**2008****Open To Public  
Inspection**

Name of the organization

**Delancey Street Foundation**

Employer identification number

**23****7102690****Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods	✓		<b>5,196,696</b>	<b>Cost</b>
6 Cars and other vehicles	✓	<b>10</b>	<b>41,105</b>	<b>Cost</b>
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory	✓	<b>1,313</b>	<b>749,751</b>	<b>Cost</b>
20 Drugs and medical supplies	✓	<b>161</b>	<b>212,109</b>	<b>Cost</b>
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (. <b>Building Material</b> )	✓	<b>257</b>	<b>295,738</b>	<b>Cost</b>
26 Other ► (. <b>Sundries</b> )	✓	<b>60</b>	<b>196,354</b>	<b>Cost</b>
27 Other ► (. <b>Equipment</b> )	✓	<b>59</b>	<b>79,018</b>	<b>Cost</b>
28 Other ► (. <b>Auto Supplies</b> )	✓	<b>46</b>	<b>75,734</b>	<b>Cost</b>

29 Number of Forms 8283 received by the organization during the tax year for contributions for  
which the organization completed Form 8283, Part IV, Donee Acknowledgement

**29****0**

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that  
it must hold for at least three years from the date of the initial contribution, and which is not required to be  
used for exempt purposes for the entire holding period?

	Yes	No
30a		✓

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard  
contributions?

31	✓	
----	---	--

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions?

32a		✓
-----	--	---

b If "Yes," describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked,  
describe in Part II

--	--	--

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

**Part I, Column (b) Number of contributions - Is reporting the number of contributions received. Some of these numbers are based on estimates extrapolated from historical information.**

Area for supplemental information with horizontal dashed lines.



**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**

**Open to Public  
Inspection**

Name of the organization

**Delancey Street Foundation**

Employer identification number

**23 : 7102690**

Part V, Line 3b - The organization did not have any unrelated business income. Therefore, Form 990-T was not filed.

Part V, Line 7g - There were no contributions of qualified intellectual property. Therefore, Form 8899 was not filed.

Part VI, line 2 - Michael DeLane & Teri Lynch DeLane are husband and wife. Conrad Laran & Angela Norman are husband and wife.

Part VI, Line 10 - A copy of the final Form 990 is sent to each board member before it is filed. Any questions or comments are answered and, if appropriate, changes are made.

Part VI, Line 19 - No documents available to the public.

Part VII, Column D - Teri Lynch Delane was not compensated in her capacity as a Board member. She is the principal at Life Learning Academy charter school, a division of Delancey Street Foundation, and receives a salary in that capacity.





**Part V** Transactions With Related Organizations**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> Gift, grant, or capital contribution to other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>c</b> Gift, grant, or capital contribution from other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>d</b> Loans or loan guarantees to or for other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>e</b> Loans or loan guarantees by other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>f</b> Sale of assets to other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>g</b> Purchase of assets from other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>h</b> Exchange of assets . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>n</b> Sharing of paid employees . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>o</b> Reimbursement paid to other organization for expenses . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>p</b> Reimbursement paid by other organization for expenses . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>q</b> Other transfer of cash or property to other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>r</b> Other transfer of cash or property from other organization(s) . . . . .	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			



# Delancey Street Foundation and Affiliates

Consolidated Financial Statements for the  
Years Ended December 31, 2008 and 2007, and  
Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Delancey Street Foundation and Affiliates  
San Francisco, California

We have audited the accompanying consolidated statements of financial position of the Delancey Street Foundation and affiliates (the "Foundation") as of December 31, 2008 and 2007, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte + Touche LLP*

August 12, 2009

## DELANCEY STREET FOUNDATION AND AFFILIATES

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2008 AND 2007

	2008	2007
<b>ASSETS</b>		
CASH AND CASH EQUIVALENTS	\$ 46,320,442	\$ 14,232,687
ACCOUNTS RECEIVABLE — Net of allowances of \$18,393 and \$28,741 at 2008 and 2007, respectively	647,252	728,659
INTEREST RECEIVABLE	284,652	367,760
PREPAID AND OTHER ASSETS	515,479	398,792
RESTRICTED CASH	320,832	374,328
INVESTMENTS — At fair value	26,623,196	62,995,424
PROPERTY AND EQUIPMENT:		
Land	7,457,813	7,457,813
Buildings and improvements	32,880,757	32,834,611
Vehicles, equipment, and furniture	4,123,181	4,606,634
Total property and equipment	44,461,751	44,899,058
Less accumulated depreciation and amortization	(21,451,280)	(20,709,708)
Property and equipment — net	23,010,471	24,189,350
<b>TOTAL</b>	<b>\$ 97,722,324</b>	<b>\$ 103,287,000</b>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 724,641	\$ 721,288
Low income housing loan payable	3,980,145	3,980,145
Embarcadero Triangle Project deposit		10,176,458
Los Angeles Facility deposit	1,462,104	1,462,104
Deferred rent payable	289,431	283,401
Unfunded retirement liability	305,649	313,593
Total liabilities	6,761,970	16,936,989
NET ASSETS:		
Unrestricted	90,722,454	86,120,727
Temporarily restricted	237,900	229,284
Total net assets	90,960,354	86,350,011
<b>TOTAL</b>	<b>\$ 97,722,324</b>	<b>\$ 103,287,000</b>

See notes to consolidated financial statements.



## DELANCEY STREET FOUNDATION AND AFFILIATES

### CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS:		
SUPPORT:		
Donations in-kind	\$ 7,078,584	\$ 7,073,411
Contributions	<u>2,016,853</u>	<u>3,746,282</u>
Total support	<u>9,095,437</u>	<u>10,819,693</u>
REVENUE:		
Program revenues	12,392,493	14,172,345
Investment income	2,536,662	3,014,882
Net realized and unrealized (loss) gain on investments	<u>(7,957,944)</u>	<u>164,381</u>
Total revenue	<u>6,971,211</u>	<u>17,351,608</u>
Net assets released from restrictions — Life Learning Academy	<u>1,204,897</u>	<u>1,305,288</u>
Total support, revenue, and net assets released from restrictions	<u>17,271,545</u>	<u>29,476,589</u>
PROGRAM EXPENSES:		
Program costs	7,370,646	8,041,303
Occupancy costs	4,491,989	4,708,344
Donated goods and services	7,078,584	7,073,410
Cost of sales for training schools	2,687,409	3,160,241
Delancey CIRCLE's Life Learning Academy expenses	1,204,897	1,305,288
Other program expenses	<u>12,751</u>	<u>(32,454)</u>
Total program expenses	<u>22,846,276</u>	<u>24,256,132</u>
OTHER GAIN — Embarcadero Triangle San Francisco Facility	<u>10,176,458</u>	
CHANGE IN UNRESTRICTED NET ASSETS	<u>4,601,727</u>	<u>5,220,457</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	1,213,513	1,314,010
Net assets released from restrictions	<u>(1,204,897)</u>	<u>(1,305,288)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS — Life Learning Academy	<u>8,616</u>	<u>8,722</u>
CHANGE IN NET ASSETS	4,610,343	5,229,179
NET ASSETS — Beginning of year	<u>86,350,011</u>	<u>81,120,832</u>
NET ASSETS — End of year	<u>\$90,960,354</u>	<u>\$86,350,011</u>

See notes to consolidated financial statements.

# **DELANCEY STREET FOUNDATION AND AFFILIATES**

## **CONSOLIDATED STATEMENTS OF CASH FLOWS** **YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 4,610,343	\$ 5,229,179
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,320,274	1,327,016
Net realized and unrealized loss (gain) on investments	7,957,944	(203,341)
Bad debt expense	12,580	6,397
Other gain — Embarcadero Triangle San Francisco Facility	(10,176,458)	
Retirement liability expense	10,000	10,000
Net effect of changes in:		
Accounts and interest receivable	151,934	229,844
Prepaid and other assets	(116,687)	(67,335)
Accounts payable, accrued expenses, and refundable deposit	(14,591)	(33,770)
Deferred rent payable	6,030	6,030
Net cash provided by operating activities	<u>3,761,369</u>	<u>6,504,020</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(157,895)	(422,850)
Proceeds from disposal of property and equipment	16,500	
Proceeds from sales of investments	94,163,436	24,312,940
Purchases of investments	(65,749,151)	(27,230,103)
Change in restricted cash	53,496	(121,325)
Net cash provided by (used in) investing activities	<u>28,326,386</u>	<u>(3,461,338)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>32,087,755</b>	<b>3,042,682</b>
<b>CASH AND CASH EQUIVALENTS — Beginning of year</b>	<b><u>14,232,687</u></b>	<b><u>11,190,005</u></b>
<b>CASH AND CASH EQUIVALENTS — End of year</b>	<b><u>\$ 46,320,442</u></b>	<b><u>\$ 14,232,687</u></b>

See notes to consolidated financial statements.

# DELANCEY STREET FOUNDATION AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2008 AND 2007

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### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**General** — Delancey Street Foundation and affiliates (the “Foundation”) is a tax-exempt, nonprofit corporation that provides residential, educational, and rehabilitation services to former felons and substance abusers, develops affordable housing, promotes economic development, and provides vocational training for people in need. The Foundation operates eight primary training and vocational schools located in San Francisco, Los Angeles, and New York that provide training to develop residents’ vocational, social, community, and self-help skills, which in turn results in financial support to the Foundation. These include the marketing and sales of crafted items, a moving and trucking school, a coach transportation service, the operation of outdoor Christmas tree lots, a restaurant and café, a catering school, and paratransit services. In addition, the Foundation operates several other programs for training its residents. No tuition is charged and no salaries are paid to any member of the Foundation. The management and staff are themselves residents. All expenses incurred by the Foundation relate to the performance of program services.

In 1998, the Foundation created the Delancey Coalition to Implement Revitalized Communities, Lives, and Environments (the “Delancey CIRCLE”). Through Delancey CIRCLE, the Foundation has entered into public-private partnerships and works directly with numerous organizations, including governmental agencies to design and implement projects based on the Delancey Street model. Through Delancey CIRCLE, the organization designed and implemented the San Francisco Juvenile Justice Local Action Plan for several years, and currently operates a Charter Public High School on Treasure Island, Life Learning Academy, and also is developing replications of the Delancey Street model nationally and internationally (see Note 5).

**Basis of Presentation** — The Foundation presents its consolidated financial statements on the basis of unrestricted, temporarily restricted, and permanently restricted net assets, in accordance with accounting principles generally accepted in the United States of America. There were no permanently restricted net assets at December 31, 2008 and 2007.

**Principles of Consolidation** — The accompanying consolidated financial statements include all amounts and operations of the Foundation and organizations in which the Foundation has both control and an economic interest: Delancey Street Foundation-Los Angeles, Delancey Street Foundation-New York, and the Life Learning Academy. Intercompany transactions and accounts have been eliminated in consolidation.

**Use of Estimates** — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** — Cash and cash equivalents generally consist of cash, certificates of deposit, time deposits, and other investments with maturities of three months or less at the time of acquisition.

**Restricted Cash** — Restricted cash consists primarily of funds held in a demand deposit account pursuant to an agreement with the City and County of San Francisco for Delancey CIRCLE's Life Learning Academy (the "Agreement"). The Agreement states that upon the occurrence of certain events (as defined), funds may be disbursed for Life Learning Academy program-related expenses.

**Investments** — All debt and equity securities with readily determinable fair values are stated at estimated fair value based on quoted market prices. The statutory trust fund is also carried at estimated fair value that has been estimated by management in the absence of readily determinable fair values. Management estimates are based on information provided by the fund managers or the general partners. Because of the inherent uncertainty of valuation of nonmarketable and restricted investments, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. Investments received through gifts are recorded at estimated fair value at the date of donation. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are calculated on an adjusted-cost basis. Adjusted cost is the market value of the security at the beginning of the year or the cost if purchased during the year. Dividend and interest income are accrued when earned.

Effective January 1, 2008, the Foundation adopted Statement of Financial Accounting Standards No. 157 ("FAS 157"), *Fair Value Measurements*. The Foundation summarizes in Note 2 the FAS 157 fair value hierarchy of the Foundation's investments as of December 31, 2008. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are as follows:

*Level 1* — Inputs that reflect unadjusted quoted prices in active markets for identical assets that the Foundation has the ability to access at the measurement date.

*Level 2* — Inputs other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly, including quoted prices for similar assets in active markets, quoted prices, or identical or similar assets in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset, and inputs that are derived principally from or corroborated by observable market data in correlation or other means.

*Level 3* — Inputs that are unobservable for the asset.

**Property and Equipment and Depreciation and Amortization** — Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method based on estimated useful lives of 30 years for buildings and 5 to 10 years for vehicles, equipment, and furniture.

The carrying amount of all long-lived assets is evaluated periodically to determine if adjustments to the useful lives of the undepreciated balances are warranted.

**Donations in-Kind** — Donations in-kind consist of donated legal and other professional services and donated goods and facilities. Donated goods and services are recorded at estimated fair value when received. The estimated fair value of these donations approximated \$7,078,584 and \$7,073,410 for the years ended December 31, 2008 and 2007, respectively, and are reflected in the accompanying consolidated statements of activities and changes in net assets. Donated personal services of volunteers

are not reflected in the accompanying consolidated financial statements because such volunteer services do not require the special skills stipulated in Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made*.

**Unrestricted Net Assets** — Unrestricted net assets represent resources available to support the Foundation's operating activities.

**Temporarily Restricted Net Assets** — Temporarily restricted net assets represent contributions whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to the stipulations. At December 31, 2008 and 2007, temporarily restricted net assets amounting to \$237,900 and \$229,284, respectively, were available for use by the Foundation in connection with the operation of the charter school Life Learning Academy, to be conducted through Delancey CIRCLE.

**Revenue Recognition** — Program revenues represent revenues from retail sales and services performed and are reported as increases in unrestricted net assets as earned. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

**Income Taxes** — The Foundation has been classified as a publicly supported, tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and is exempt from California franchise and/or income taxes under Revenue and Taxation Code Section 23701(d).

**Functional Expense Allocations** — Certain expenses, such as facility operations, depreciation, and amortization, have not been allocated among program and support services due to the immaterial nature of the amounts allocatable to support services.

**Concentration of Credit Risk** — Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains cash and cash equivalents and investments with various major financial institutions. At times, such amounts might exceed Federal Depository Insurance Corporation insured limits. The Foundation manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. The Foundation's investments have been placed with high quality counterparties. The Foundation closely monitors these investments and has not experienced any credit losses.

## 2. INVESTMENTS

The Foundation's investments at December 31, 2008 and 2007, are carried at estimated fair value and consist of the following:

	2008	2007
Corporate bonds	\$ 11,625,640	\$ 27,515,966
Government securities	10,819,499	15,466,543
Equity securities	745,081	15,280,118
Statutory trust fund	2,408,977	3,084,266
Certificates of deposit	<u>1,024,000</u>	<u>1,623,531</u>
Total	<u>\$ 26,623,196</u>	<u>\$ 62,970,424</u>

The following table summarizes the levels of FAS 157 fair value hierarchy as of December 31, 2008:

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ 11,625,639	\$ -	\$ -	\$ 11,625,639
Government securities	10,819,499			10,819,499
Equity securities	745,081			745,081
Statutory trust fund			2,408,977	2,408,977
Certificates of deposit	<u>1,024,000</u>			<u>1,024,000</u>
Total	<u>\$ 24,214,219</u>	<u>\$ -</u>	<u>\$ 2,408,977</u>	<u>\$ 26,623,196</u>

The changes in investments classified as Level 3 are as follows for the year ended December 31, 2008:

Balance — January 1, 2008	\$ 3,084,267
Total realized and unrealized losses	<u>(675,288)</u>
Balance — December 31, 2008	<u>\$ 2,408,979</u> (Note 9)

## 3. LOS ANGELES FACILITY

On April 4, 1995, the Foundation entered into an agreement with an unrelated third party. Under the terms of the agreement, the Foundation transferred the ownership of the Los Angeles Facility (the "Facility") and the related low income housing tax credits for the purchase price of \$11,530,000. The purchase price was satisfied by the third party paying a down payment of \$684,639 and issuing a note of \$10,845,361 (principal balance). The interest is to be calculated as principal balance less \$684,639 at 9.50% compounded annually from the date of the agreement. The principal and interest payments are due and payable on December 31, 2010. The note, including accrued interest, has a carrying value of \$35,113,848 and \$32,067,441 at December 31, 2008 and 2007, respectively. This transaction was accounted for using the deposit method because the Foundation has the option to purchase the building from the third party in 2010 at the fair market value. Under the deposit method, no gain, loss, or carrying value of the note has been recorded. All cash receipts and payments are reflected as net deposits received. Net deposits as of December 31, 2008, totaled \$1,462,104.

As part of the transaction, the Foundation entered into a 15-year lease agreement with the third party as the lessee in order to continue its use of the Facility for operations.

#### **4. EMBARCADERO TRIANGLE, SAN FRANCISCO FACILITY**

During fiscal year 1990, the Foundation constructed a low-income housing project located in the San Francisco South Beach area (the "Project") to primarily provide housing for residents. The construction was partially funded by two notes from the City and County of San Francisco (the "City") with principal amounts of \$885,005 and \$3,095,140 dated December 22, 1989 and March 20, 1990, respectively. Interest is compounded monthly at 10% per annum, and both principal and interest are payable in 20 years from the date of the notes. However, if Foundation complies with the note agreements and fulfills all obligations from the time of the agreements, all borrowings including interest, are to be forgiven at such time. The obligations generally include the Foundation's commitment not to sell the Project and to maintain the location as affordable units for the residents. Through December 31, 2008, the Foundation has complied with the agreements and has fulfilled all required obligations. The Foundation also has the intention and belief that it will continue to comply with all required obligations. Accordingly, cumulative interest expense associated with the two notes of \$21,900,714 and \$19,448,460 at December 31, 2008 and 2007, respectively, has not been reflected in the Foundation's consolidated financial statements, as the notes are expected to be fully forgiven on the due dates.

On February 1, 1991, the Foundation entered into an agreement with an unrelated third party to transfer the ownership of the Project in order for the third party to utilize the tax credits as owner of the Project. The City has agreed that the Foundation will not be considered in violation of the note agreements if the Foundation has repurchased the building before the due dates of the notes mentioned above. Therefore, the agreement with the third party included the option for the Foundation to repurchase the building. In addition, the Foundation leased back the Project from the third party as the lessee in order to continue with its operations. On May 21, 2008, the Foundation repurchased the Project from the third party and ended the agreement initiated in 1991, as well as the lease agreements. The Foundation recognized an other gain of \$10,176,458 in the consolidated statements of activities and changes in net assets and eliminated the long-term liability "Embarcadero Triangle Project Deposit" in the year ended December 31, 2008, at the conclusion of the transaction with the third party.

#### **5. DELANCEY CIRCLE**

In 1998, the Foundation began a separate division called Delancey CIRCLE. Delancey CIRCLE is a division dedicated to adapting the Delancey Street model to other programs in coalition with public and private agencies. Since then, the Foundation has done several projects, including designing and implementing a comprehensive range of services to youth at risk of involvement in the juvenile justice system, as well as youths who were currently involved in the system. Currently, Delancey CIRCLE runs a charter high school for youths who have been school failures and/or involved in juvenile crime. The high school is on Treasure Island and is named the Life Learning Academy. Because charter schools are public schools, the school is part of San Francisco Unified School District, as well as being a special program run by the Foundation. Funding for the school comes from a variety of sources, including the State of California Board of Corrections through the Mayor's Criminal Justice Council, the Department of Education, and private foundations. Revenues and support total \$1,213,540 for 2008 and \$1,314,010 for 2007 and include reimbursed expenses totaling \$1,204,897 and \$1,305,288 at December 31, 2008 and 2007, respectively, and are reflected in the accompanying consolidated statements of activities and changes in net assets. Additionally, amounts due from the City and private organizations totaling \$232,809 and \$171,219 at December 31, 2008 and 2007, respectively, are included in accounts receivable in the accompanying consolidated statements of financial position.

## 6. RELATED-PARTY TRANSACTIONS

There are two other Foundation corporations that operate under consulting management from the Foundation in San Francisco. The Foundation reflected program revenues of approximately \$30,000 and \$65,000 at December 31, 2008 and 2007, respectively, from the other Foundation corporations for providing consulting services. In addition, the Foundation has certain properties on its books that are used by the New Mexico facility, an affiliated organization. The net book value of these properties was approximately \$57,524 at December 31, 2008. The Foundation reflected receivables from the other Foundation corporations of \$1,912 and \$10,000, respectively, at December 31, 2008 and 2007.

## 7. COMMITMENTS AND CONTINGENT LIABILITIES

The Foundation is obligated under two noncancelable operating leases for land that require minimum payments as follows:

### Years Ending December 31

2009	\$ 411,600
2010	411,600
2011	411,600
2012	411,600
2013	411,600
Thereafter	<u>13,067,600</u>
Total	<u>\$ 15,125,600</u>

Leases contain provisions for rent escalations based on the Consumer Price Index. In addition, one lease contains provisions for rent to be computed based on the percentage of retail sales in space leased to third parties at the Project. Through December 31, 2008, rent computed as a percentage of such retail sales did not exceed the minimum lease payments due under the terms of the leases. Rent expense is recognized based on the straight-line basis. Rental expense was \$893,422 in 2008 and \$814,443 in 2007.

The cumulative difference between the expense reflected in the Foundation's results of activities and amounts paid, \$289,431 and \$283,401 at December 31, 2008 and 2007, respectively, is included in long-term liabilities and is being amortized over the life of the lease.

## 8. RETIREMENT PLAN

The Foundation has an unfunded retirement plan covering management personnel who have been associated with the Foundation for 10 years or more and are national managers. The Foundation's contributions are accrued but unfunded and are paid to eligible participants only upon meeting certain termination requirements, hardship need, or retirement. Retirement expense was \$10,000 in 2008 and 2007.

## 9. SUBSEQUENT EVENT

On March 31, 2009, the Foundation sold its statutory trust fund investments included in its investment portfolio (see Note 2).

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