

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

2004

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning, 2004, and ending, 20

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

C Name of organization: SBDC SOCIAL BETTERMENT
D Employer identification number: 41-2115193
E Telephone number: (415) 255-7434
F Accounting method: Cash

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

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates?
H(b) If "Yes," enter number of affiliates
H(c) Are all affiliates included?
H(d) Is this a separate return filed by an organization covered by a group ruling?
I Group Exemption Number
M Check if the organization is not required to attach Sch B

G Website
J Organization type (check only one)
K Check here
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 498,640

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Table with 21 rows and multiple columns for revenue, expenses, and net assets. Includes sub-rows for contributions, program service revenue, rental income, and special events.

SCANNED SEP 19 2007
RECEIVED
AUG 26 2007
MIRACOSTA COUNTY SUPERIOR COURT
MIRACOSTA, CA

P
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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ <u>1,961</u> noncash \$ _____)	22 1,961	1,961		
23	Specific assistance to individuals (attach schedule) . . . . .	23			
24	Benefits paid to or for members (attach schedule) . . . . .	24			
25	Compensation of officers, directors, etc . . . . .	25 3,150		3,150	
26	Other salaries and wages . . . . .	26 206,524	144,396	62,128	
27	Pension plan contributions . . . . .	27			
28	Other employee benefits . . . . .	28			
29	Payroll taxes . . . . .	29 19,087	13,552	5,535	
30	Professional fundraising fees . . . . .	30			
31	Accounting fees . . . . .	31 350		350	
32	Legal fees . . . . .	32 2,666		2,666	
33	Supplies . . . . .	33 23,430	20,463	2,679	288
34	Telephone . . . . .	34 5,255	3,153	2,102	
35	Postage and shipping . . . . .	35 796	398	159	239
36	Occupancy . . . . .	36 324,000	236,520	87,480	
37	Equipment rental and maintenance . . . . .	37 1,416	1,416		
38	Printing and publications . . . . .	38 405			405
39	Travel . . . . .	39 4,396	2,198	2,198	
40	Conferences, conventions, and meetings . . . . .	40			
41	Interest . . . . .	41			
42	Depreciation, depletion, etc (attach schedule) . . . . .	42			
43	Other expenses not covered above (itemize) a _____	43a			
b	SEE STATEMENT 1	43b 86,687	16,821	40,875	28,991
c	_____	43c			
d	_____	43d			
e	_____	43e			
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15 . . . . .	44 680,123	440,878	209,322	29,923

Joint Costs. Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? . . . . .  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions)

What is the organization's primary exempt purpose? <u>SOCIAL SERVICES</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a BETTERMENT ACTIV. TO INCLUDE SUPPORTIVE HOUSING, MULTISERVICE REFERRALS, LIFE SKILL COURSES, AND SUBSTANCE ABUSE RECOVERY. (Grants and allocations \$ _____)	346,256
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . . .	346,256

**Part IV Balance Sheets** (See page 25 of the instructions)

				(A)		(B)
				Beginning of year		End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
A s s e t s	45	Cash - non-interest-bearing . . . . .			45	8,087
	46	Savings and temporary cash investments . . . . .			46	1,682
	47 a	Accounts receivable . . . . .	47a	27,111		
	b	Less: allowance for doubtful accounts . . . . .	47b		47c	27,111
	48 a	Pledges receivable . . . . .	48a			
	b	Less: allowance for doubtful accounts . . . . .	48b		48c	
	49	Grants receivable . . . . .			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .			50	
	51 a	Other notes and loans receivable (attach schedule). . . . .	51a			
	b	Less: allowance for doubtful accounts . . . . .	51b		51c	
	52	Inventories for sale or use . . . . .			52	
	53	Prepaid expenses and deferred charges . . . . .			53	
	54	Investments - securities (attach schedule) . . . . . <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54	
	55 a	Investments - land, buildings, and equipment basis . . . . .	55a			
	b	Less: accumulated depreciation (attach schedule). . . . .	55b		55c	
56	Investments - other (attach schedule) . . . . .			56		
57 a	Land, buildings, and equipment basis . . . . .	57a	9,745			
b	Less: accumulated depreciation (attach schedule). . . . .	57b	779	57c	8,966	
58	Other assets (describe <input type="checkbox"/> STATEMENT 2 )			58	71,000	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .			59	116,846	
L i a b i l i t i e s	60	Accounts payable and accrued expenses . . . . .			60	6,488
	61	Grants payable . . . . .			61	
	62	Deferred revenue . . . . .			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule). . . . .			63	240,000
	64 a	Tax-exempt bond liabilities (attach schedule) . . . . .			64a	
	b	Mortgages and other notes payable (attach schedule) . . . . .			64b	
	65	Other liabilities (describe <input type="checkbox"/> )			65	
66	<b>Total liabilities</b> (add lines 60 through 65) . . . . .			66	246,488	
N e t A s s e t s o f F u n d s	<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>					
	67	Unrestricted . . . . .			67	
	68	Temporarily restricted . . . . .			68	
	69	Permanently restricted . . . . .			69	
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74</b>					
	70	Capital stock, trust principal, or current funds . . . . .			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund . . . . .			71	
	72	Retained earnings, endowment, accumulated income, or other funds . . . . .			72	(129,642)
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) <b>must</b> equal line 19, column (B) <b>must</b> equal line 21) . . . . .			73	(129,642)	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .			74	116,846	

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



Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . . .	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	80a	X
b	If "Yes," enter the name of the organization ▶ <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures See line 81 instructions . . . . .	81a	
b	Did the organization file Form 1120-POL for this year? . . . . .	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III) . . . . .	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? . . . . .	85a	X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . . If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members . . . . .	85c	
d	Section 162(e) lobbying and political expenditures . . . . .	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . .	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . .	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .	85g	X
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .	85h	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 . . . . .	86a	
b	Gross receipts, included on line 12, for public use of club facilities . . . . .	86b	
87	501(c)(12) orgs Enter a Gross income from members or shareholders . . . . .	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) . . . . .	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ _____, section 4912 ▶ _____, section 4955 ▶ _____		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	89b	X
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . ▶ _____		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization . . . . . ▶ _____		
90a	List the states with which a copy of this return is filed ▶ CALIFORNIA		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions) . . . . .	90b	9
91	The books are in care of ▶ RICHARD PRESCOTT Telephone no ▶ 415-431-1157 Located at ▶ 290 SEVENTH STREET SAN FRANCISCO ZIP + 4 ▶ 94103		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here . . . . . ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year . . . . . ▶ 92		

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions )

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function Income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a HOUSING, LIFE SKILLS, REC					496,005
b					
c					
d					
e					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . . . .					
97 Net rental income or (loss) from real estate					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .					496,005
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					496,005

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions )

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
2	160 PARTICIPANTS ENTERED THE PROGRAM AND 72 COMPLETED THE SERVICE OUTLINE SUCCESSFULLY.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions )

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions )

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

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

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including attachments, if any, and believe it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *R. Prescott*  
Type or print name and title: R. PRESCOTT, CEO

Paid Preparer's Use Only

Preparer's signature: *[Signature]*  
Firm's name (or yours if self-employed) address, and ZIP + 4: MCC Financial Serv  
2175 THE ALAMEDA S  
SAN JOSE CA

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2004**

Department of the Treasury  
Internal Revenue Service  
Name of the organization

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Employer identification number

SBDC SOCIAL BETTERMENT

41-2115193

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

(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 . . . . . ▶				

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

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

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







**Statement Summary**  
OTHER EXPENSES

**2004**  
STATEMENT 01

Name(s) shown on return SBDC SOCIAL BETTERMENT	Identifying Number 41-2115193
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A	B	C	D		
ADVERTISING		36239		7248	28991
AUTO EXP		1828		1828	
BANK CHARGES		762		762	
CONTRACT MEDICAL		10758	10758		
GIFTS		1025	1025		
LICENSE FEES		16403		16403	
MISC		4568	4568		
OUTSIDE CONTRACTORS		14634		14634	
TRAINING		470	470		
TOTALS		86688	16821	40876	28991

OTHER NOTE PAYABLE

STATEMENT 01

PART IV LINE 58 OTHER ASSETS

STATEMENT 02

SECURITY DEPOSITS		
FOLSOM STREET HOTEL	36000	
GINA HOTEL	12000	
SYCAMORE HOTEL	8000	
ROYAL HOTEL	15000	
GRAND TOTAL	71000	