Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No. 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning and ending

B Check if applicable: Address change; Name change; Initial return; Termination; Amended return; Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: DELPHI SCHOOLS, INC.

Number and street (or P.O. box if mail is not delivered to street address) / Room/suite: 20950 S.W. ROCK CREEK ROAD

City or town, state or country, and ZIP + 4: SHERIDAN, OR 97378

D Employer identification number 93-0630376

E Telephone number (503)843-3521

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

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

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I Group Exemption Number ▶ N/A

M Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: ▶WWW.DELPHIAN.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 14,629,755.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

SCANNED JUN 30 2008

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	263,401.		
	c	Indirect public support (not included on line 1a)	1c	943,829.		
	d	Government contributions (grants) (not included on line 1a)	1d			
	e	**Total** (add lines 1a through 1d) (cash $ 1,207,230. noncash $)			1e	1,207,230.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	12,971,225.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	316,265.
	5	Dividends and interest from securities			5	4,300.
	6a	Gross rents SEE STATEMENT 2	6a	57,386.		
	b	Less: rental expenses	6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a			6c	57,386.
	7	Other investment income (describe ▶)			7	
	8a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other	8a	3,395.		
	b	Less: cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c	3,395.		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 3			8d	3,395.
	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]				
	a	Gross revenue (not including $ of contributions reported on line 1b)	9a			
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events. Subtract line 9b from line 9a			9c	
	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c	
	11	Other revenue (from Part VII, line 103)			11	69,954.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	14,629,755.
Expenses	13	Program services (from line 44, column (B))			13	13,387,577.
	14	Management and general (from line 44, column (C))			14	743,113.
	15	Fundraising (from line 44, column (D))			15	
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	14,130,690.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	499,065.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	5,182,913.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4			20	11,062.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	5,693,040.

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723001 12-27-07 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.** Form 990 (2007)

09150514 756026 27020 2007.05060 DELPHI SCHOOLS, INC. 27020__1

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	1,454,761.	1,224,487.	230,274.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	46,028.	44,187.	1,841.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	4,765,524.	4,570,360.	195,164.	
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	20,825.	19,992.	833.	
29 Payroll taxes	29	457,844.	439,530.	18,314.	
30 Professional fundraising fees	30				
31 Accounting fees	31	14,730.	7,365.	7,365.	
32 Legal fees	32	133,602.	66,801.	66,801.	
33 Supplies	33	58,939.	56,581.	2,358.	
34 Telephone	34	75,131.	72,126.	3,005.	
35 Postage and shipping	35	35,330.	33,917.	1,413.	
36 Occupancy	36	2,311,700.	2,219,232.	92,468.	
37 Equipment rental and maintenance	37	40,812.	39,179.	1,633.	
38 Printing and publications	38				
39 Travel	39	59,382.	29,691.	29,691.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	2,943.	2,825.	118.	
42 Depreciation, depletion, etc. (attach schedule)	42	228,881.	219,726.	9,155.	
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 5	43g	4,424,258.	4,341,578.	82,680.	
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	14,130,690.	13,387,577.	743,113.	0.

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 $ N/A ; **(ii)** the amount allocated to Program services $ N/A ;

(iii) the amount allocated to Management and general $ N/A ; and **(iv)** the amount allocated to Fundraising $ N/A

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

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

What is the organization's primary exempt purpose? ▶ SEE STATEMENT 7	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a SEE STATEMENT 6	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	13,387,577.
b	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	13,387,577.

Part IV Balance Sheets *(See the instructions.)*

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

					(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing			648,499.	45	448,319.
	46	Savings and temporary cash investments			6,857,593.	46	7,583,004.
	47 a	Accounts receivable	47a	38,579.			
	b	Less: allowance for doubtful accounts	47b		29,232.	47c	38,579.
	48 a	Pledges receivable	48a				
	b	Less: allowance for doubtful accounts	48b			48c	
	49	Grants receivable				49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				50b	
	51 a	Other notes and loans receivable	51a				
	b	Less: allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use			143,129.	52	117,869.
	53	Prepaid expenses and deferred charges			63,674.	53	62,016.
	54 a	Investments - publicly-traded securities STMT 12 ▶ ☐ Cost ☒ FMV			340,645.	54a	348,931.
	b	Investments - other securities STMT 11 ▶ ☐ Cost ☒ FMV			95,780.	54b	97,117.
	55 a	Investments - land, buildings, and equipment: basis	55a				
	b	Less: accumulated depreciation	55b			55c	
	56	Investments - other SEE STATEMENT 8			7,024.	56	8,486.
	57 a	Land, buildings, and equipment: basis	57a	3,235,202.			
	b	Less: accumulated depreciation	57b	2,194,439.	1,005,549.	57c	1,040,763.
	58	Other assets, including program-related investments (describe ▶ SEE STATEMENT 9)			309,819.	58	58,782.
	59	**Total assets** (must equal line 74). Add lines 45 through 58			9,500,944.	59	9,803,866.
Liabilities	60	Accounts payable and accrued expenses			365,375.	60	447,194.
	61	Grants payable				61	
	62	Deferred revenue			13,200.	62	48,800.
	63	Loans from officers, directors, trustees, and key employees				63	
	64 a	Tax-exempt bond liabilities				64a	
	b	Mortgages and other notes payable STMT 10			47,234.	64b	36,462.
	65	Other liabilities (describe ▶ ADVANCED TUITION)			3,892,222.	65	3,578,370.
	66	**Total liabilities.** Add lines 60 through 65			4,318,031.	66	4,110,826.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** ☒ **and complete lines 67 through 69 and lines 73 and 74**					
	67	Unrestricted			4,682,217.	67	5,074,258.
	68	Temporarily restricted			500,696.	68	618,782.
	69	Permanently restricted				69	
		Organizations that do not follow SFAS 117, check here ▶ ☐ **and complete lines 70 through 74.**					
	70	Capital stock, trust principal, or current funds				70	
	71	Paid-in or capital surplus, or land, building, and equipment fund				71	
	72	Retained earnings, endowment, accumulated income, or other funds				72	
	73	**Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72. (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			5,182,913.	73	5,693,040.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73			9,500,944.	74	9,803,866.

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

a	Total revenue, gains, and other support per audited financial statements			a	14640817.
b	Amounts included on line a but not on Part I, line 12:				
1	Net unrealized gains on investments	b1			
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify): UNREALIZED GAIN	b4	11,062.		
	Add lines b1 through b4			b	11,062.
c	Subtract line b from line a			c	14629755.
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	0.
e	Total revenue (Part I, line 12) Add lines c and d ▶			e	14629755.

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

a	Total expenses and losses per audited financial statements			a	14130690.
b	Amounts included on line a but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify):	b4			
	Add lines b1 through b4			b	0.
c	Subtract line b from line a			c	14130690.
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines d1 and d2			d	0.
e	Total expenses (Part I, line 17). Add lines c and d ▶			e	14130690.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 13		1,417,422.	37,339.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 5			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) SEE STATEMENT 14	75b	X	
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c		X
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
SUSAN BADER 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	0.	43,910.	2,118.	0.

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	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
78 a	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? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	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 ▶ N/A and check whether it is [X] exempt or [ ] nonexempt			
81 a	Enter direct and indirect political expenditures (See line 81 instructions.) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

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Part VI Other Information *(continued)*

				Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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 N/A			
83 a	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	
84 a	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?	N/A	84b		
85 a	*501(c)(4), (5), or (6).* Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.				
c	Dues, assessments, and similar amounts from members	85c N/A			
d	Section 162(e) lobbying and political expenditures	85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h		
86	*501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12	86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87	*501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders	87a N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A			
88 a	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		88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶		88b		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b	*501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶	0.			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶	0.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g		X

90 a List the states with which a copy of this return is filed ▶ OR, CA

b Number of employees employed in the pay period that includes March 12, 2007 — 90b: 210

91 a The books are in care of ▶ JEANNE MCKEVITT Telephone no. ▶ 503-843-3521

Located at ▶ 20950 S.W. ROCK CREEK ROAD, SHERIDAN, OR ZIP + 4 ▶ 97378

			Yes	No
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)?	91b		X
	If "Yes," enter the name of the foreign country ▶ N/A			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts.			

Part VI Other Information *(continued)*

		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ N/A	91c		X
92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* Form 1041- Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶	92	N/A	

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

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a TUITION					7,833,289.
b BOARDING FEES					3,245,675.
c YEARBOOK/MISC ACTV FEES					1,830,690.
d BOOK SALES					61,571.
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			14	316,265.	
96 Dividends and interest from securities			14	4,300.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	57,386.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18		3,395.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a BOOKSTORE			03	69,954.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		447,905.	12,974,620.
105 Total (add line 104, columns (B), (D), and (E)) ▶					13,422,525.

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

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

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
	SEE STATEMENT 15

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

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

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

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

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Part XI **Information Regarding Transfers To and From Controlled Entities.** *Complete only if the organization is a controlling organization as defined in section 512(b)(13).* N/A

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		

Please Sign Here

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

Signature of officer: [signature] Date: 5/15/2008

Type or print name and title: JOHN J NOSKO SEC/TREASURER

Paid Preparer's Use Only

Preparer's signature	[signature]	Date 5/14/08	Check if self-employed ☐
Preparer's SSN or PTIN (See Gen Inst X)			
Firm's name (or yours if self-employed), address, and ZIP + 4	PERKINS & COMPANY, P.C. 1211 SW FIFTH AVE., SUITE 1000 PORTLAND, OREGON 97204-3710	EIN	
		Phone no.	(503) 221-0336

Form **990** (2007)

723164/12-27-07

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2007

Name of the organization: DELPHI SCHOOLS, INC.

Employer identification number: 93 0630376

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
MARK SIEGEL 20950 SW ROCK CREEK RD, SHERIDAN, OR	PROMOTION/HIGH TECH 50.00	74,461.	2,118.	
DONETTA PHELPS 20950 SW ROCK CREEK RD, SHERIDAN, OR	HEAD OF ADMISSIONS 50.00	75,275.	2,118.	
GERALD RIPP 20950 SW ROCK CREEK RD, SHERIDAN, OR	ESTATES MANAGER 55.00	62,353.	2,118.	
LINDA SIEGEL 20950 SW ROCK CREEK RD, SHERIDAN, OR	DEAN OF STUDENTS 55.00	61,942.	2,118.	
JANET HOLLANDER 20950 SW ROCK CREEK RD, SHERIDAN, OR	DEAN, DELPHI SHERIDA 50.00	67,297.	2,118.	
Total number of other employees paid over $50,000 ▶	9			

Part II-A 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
ROBERT G. BURT, P.C. 1515 SW FIFTH AVE., SUITE 600, PORTLAND, OR 9720	LEGAL SERVICES	130,303.
Total number of others receiving over $50,000 for professional services ▶ 0		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

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

Part III Statements About Activities (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? SEE STATEMENT 16	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE STATEMENT 17	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) SEE STATEMENT 18	3a	X	
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶			0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶			N/A
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶			0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶			0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 [ ] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 [X] A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 [ ] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 [ ] A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 [ ] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶

10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [ ] An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:

[ ] Type I [ ] Type II [ ] Type III-Functionally Integrated [ ] Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
Total ▶					

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2007

723121
12-27-07

Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.** N/A
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 **Organizations described on lines 10 or 11:** **a** Enter 2% of amount in column (e), line 24 ▶ **26a** N/A

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** N/A

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** N/A

d Add: Amounts from column (e) for lines: 18 ______ 19 ______ 22 ______ 26b ______ ▶ **26d** N/A

e Public support (line 26c minus line 26d total) ▶ **26e** N/A

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** N/A %

27 **Organizations described on line 12:** **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year:

(2006) ______ (2005) ______ (2004) ______ (2003) ______

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

(2006) ______ (2005) ______ (2004) ______ (2003) ______

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ **27c** N/A

d Add: Line 27a total ______ and line 27b total ______ ▶ **27d** N/A

e Public support (line 27c total minus line 27d total) ▶ **27e** N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27f** N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Line	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	X	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	X	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	X	
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) THE EXEMPT ORGANIZATION HAS PUBLISHED NOTICE IN THE REQUIRED FORM STATING ITS RACIALLY NONDISCRIMINATORY POLICIES IN NEWSPAPERS OF GENERAL CIRCULATION AT LEAST ONCE ANNUALLY OR DURING ITS REGISTRATION PERIOD.			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	X	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		X
b	Admissions policies?	33b		X
c	Employment of faculty or administrative staff?	33c		X
d	Scholarships or other financial assistance?	33d		X
e	Educational policies?	33e		X
f	Use of facilities?	33f		X
g	Athletic programs?	33g		X
h	Other extracurricular activities?	33h		X
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		X
b	Has the organization's right to such aid ever been revoked or suspended?	34b		X
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	X	

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 11 of the instructions.) N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ a ☐ if the organization belongs to an affiliated group. Check ▶ b ☐ if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

If the amount on line 40 is -	**The lobbying nontaxable amount is -**
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B **Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines **c** through **h**.)			0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FOOTNOTES STATEMENT 1

FOR 2006, THE ORGANIZATION IDENTIFIED CERTAIN DONATIONS AS UNRESTRICTED, RATHER THAN TEMPORARILY RESTRICTED.
THE DONATION AMOUNTS HAVE BEEN RECLASSIFIED IN THE 2006 BALANCE SHEET (PART IV, COLUMN A LINES 67 AND 68) TO PROPERLY REFLECT THEIR RECLASSIFICATION; HOWEVER, THERE IS NO EFFECT TO THE ORGANIZATION'S NET ASSETS AS A RESULT OF SUCH RECLASSIFICATION.

FORM 990 RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
SUBLEASE OF LAND	1	57,386.
TOTAL TO FORM 990, PART I, LINE 6A		57,386.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VARIOUS EQUIPMENT, FURNITURE & FIXTURES	VARIOUS	VARIOUS	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
VARIOUS	3,395.	102,331.	0.	102,331.	3,395.
TO FM 990, PART I, LN 8	3,395.	102,331.	0.	102,331.	3,395.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
NET UNREALIZED GAIN ON INVESTMENTS	11,062.
TOTAL TO FORM 990, PART I, LINE 20	11,062.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROFESSIONAL DEVELOPMENT	46,100.	44,256.	1,844.	
FOOD	531,955.	526,635.	5,320.	
HOT LUNCH PROGRAM	923.	923.		
EDUCATIONAL SUPPLIES AND RELATED EXPENSES	497,431.	497,431.		
YEARBOOK	8,517.	8,517.		
BOOKS FOR RESALE	63,868.	63,868.		
SNACKBAR ITEMS FOR RESALE	57,932.	57,932.		
RECRUITING REPRESENTATIVES	142,042.	142,042.		
BUILDING MAINTENANCE	67,409.	64,713.	2,696.	
JANITORIAL	42,777.	41,066.	1,711.	
ESTATES EQUIPMENT	35,325.	33,912.	1,413.	
ESTATES MAINTENANCE	41,637.	39,972.	1,665.	

UTILITIES	372,538.	357,636.	14,902.	
INSURANCE	503,743.	483,456.	20,287.	
INTELLECTUAL PROPERTIES LICENSE FEES - A	400,554.	400,554.		
TAXES AND LICENSES	18,431.	17,723.	708.	
DUES	11,129.	11,129.		
BANK CHARGES	88,330.	88,330.		
ADVERTISING	622,645.	622,645.		
MISCELLANEOUS	14,938.	14,876.	62.	
TRANSPORTATION	35,283.	33,872.	1,411.	
TOURS	43,730.	43,730.		
GAS	40,380.	38,765.	1,615.	
PHOTOCOPYING	14,622.	14,037.	585.	
COMPUTER SUPPLIES	83,963.	80,604.	3,359.	
OTHER PROFESSIONAL SERVICES	25,886.	12,943.	12,943.	
SPECIAL EVENTS	6,827.	6,827.		
INTELLECTUAL PROPERTIES LICENSE FEES - B	579,574.	579,574.		
BAD DEBT EXPENSE	<49.>	<49.>		
GIFTS AND GRANTS	1,500.	1,500.		
UNDERCOMPENSATION STUDY	24,318.	12,159.	12,159.	
TOTAL TO FM 990, LN 43	4,424,258.	4,341,578.	82,680.	

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE ONE

DELPHI SCHOOLS, INC., DEVELOPS, OPERATES, AND/OR ADVISES PRIVATE, NON-SECTARIAN SCHOOLS OWNED BY DELPHI SCHOOLS, INC., OR BY OTHER EDUCATIONAL AND CHARITABLE NONPROFIT SCHOOLS EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, IN CONJUNCTION WITH DELPHI SCHOOLS, INC.'S: (1) EDUCATIONAL CURRICULUM, SYLLABI, AND SUPPORTING IMPLEMENTATION ADVICE FOR THE EDUCATION OF STUDENTS IN PRESCHOOL/KINDERGARTEN THROUGH HIGH SCHOOL AND BEYOND; (2) EDUCATIONAL PUBLICATIONS; AND (3) DELPHI TRADEMARKS AND SERVICEMARKS (COLLECTIVELY REFERRED TO AS THE "DELPHI PROGRAM"). DELPHI SCHOOLS, INC., CURRENTLY OWNS AND OPERATES FOUR SUCH SCHOOLS: A BOARDING SCHOOL IN SHERIDAN, OREGON ("THE DELPHIAN SCHOOL"); A DAY SCHOOL IN LOS ANGELES, CALIFORNIA, ("THE DELPHI ACADEMY OF LOS ANGELES"); A DAY SCHOOL IN SANTA MONICA, CALIFORNIA ("THE DELPHI ACADEMY OF SANTA MONICA"); AND A DAY SCHOOL IN SANTA CLARA, CALIFORNIA ("THE DELPHI ACADEMY OF SAN FRANCISCO BAY"). IT ALSO CONTRACTS WITH THREE OTHER EDUCATIONAL AND CHARITABLE NONPROFIT SCHOOLS EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986: A DAY SCHOOL IN MILTON, MASSACHUSETTS ("THE DELPHI ACADEMY OF BOSTON"); A DAY SCHOOL IN CLEARWATER, FLORIDA ("THE DELPHI ACADEMY OF FLORIDA"); AND A DAY SCHOOL IN CHICAGO, ILLINOIS ("DELPHI ACADEMY OF CHICAGO").

IN FULFILLING ITS EXEMPT PURPOSE DURING 2007, DELPHI SCHOOLS, INC., CONTINUED DEVELOPMENT AND OPERATION OF THE DELPHI PROGRAM.

TO FULFILL ITS EXEMPT PURPOSE IN THE FUTURE, DELPHI SCHOOLS, INC., WILL CONTINUE WITH DEVELOPMENT AND OPERATION OF ITS OWNED SCHOOLS AND THE DELPHI PROGRAM, IMPROVEMENT OF COURSE OFFERINGS AT ITS OWNED SCHOOLS, AND EXPANSION OF THE NUMBER AND TYPE OF NON-OWNED RECIPIENTS OF ITS DELPHI PROGRAM.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		13,387,577.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 7
PART III

EXPLANATION

DELPHI SCHOOLS, INC., IS AN OREGON NONPROFIT CORPORATION, ORGANIZED EXCLUSIVELY FOR EDUCATIONAL AND CHARITABLE PURPOSES. IT IS EXEMPT FROM TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986.

FORM 990 OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
INVESTMENTS IN RARE COINS	MARKET VALUE	8,486.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		8,486.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
ACCRUED INTEREST	4,298.	3,664.
RENT RECEIVABLE	18,125.	3,625.
SECURITY DEPOSIT	10,500.	34,822.
LICENSE FEE RECEIVABLE	16,560.	12,920.
OTHER RECEIVABLES	260,336.	3,751.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	309,819.	58,782.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 10

LENDER'S NAME		TERMS OF REPAYMENT	
CANON, INC		$6,938 ANNUALLY	

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
03/02/05	02/02/10	29,502.	6.57%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
CANON COPIER IR7200	PURCHASE COPIER

RELATIONSHIP OF LENDER

UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	13,977.

LENDER'S NAME		TERMS OF REPAYMENT	
CANON, INC		$5,568 ANNUALLY	

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
10/10/06	10/09/11	23,246.	7.34%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
CANON COPIER IR6570	PURCHASE COPIER

RELATIONSHIP OF LENDER

UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	18,556.

LENDER'S NAME	TERMS OF REPAYMENT
CANON, INC	$1,209 ANNUALLY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
08/10/06	08/09/11	5,139.	6.58%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
CANON COPIER 2020I	PURCHASE COPIER

RELATIONSHIP OF LENDER
UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	3,929.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		36,462.

FORM 990 OTHER SECURITIES STATEMENT 11

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
CERTIFICATES OF DEPOSIT	FMV	97,117.
TO FORM 990, LINE 54B, COL B		97,117.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 12

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE DEBT SECURITIES	FMV		124,297.		124,297.
MUTUAL FUNDS	FMV			140,063.	140,063.
EQUITY SECURITIES	FMV			84,571.	84,571.
TO FORM 990, LINE 54A, COL B			124,297.	224,634.	348,931.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GREGORY OTT 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	PRESIDENT 50.00	130,036.	2,697.	0.
ROSEMARY DIDEAR 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	V.P./ HEADMISTRESS 60.00	84,342.	2,118.	0.
ALAN ROTHE 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	VICE PRESIDENT 50.00	94,386.	2,697.	0.
ELLEN GARRISON 13526 VIA SANTA CLARA SYLMAR, CA 91342	DIRECTOR FOR DAY SCHOOLS 55.00	71,160.	2,118.	0.
JOHN NOSKO 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	SECRETARY/TREASURER 50.00	85,246.	0.	0.
JANET HOLLANDER 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	DEAN, SHERIDAN 50.00	67,297.	2,118.	0.
MARK SIEGEL 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	PUBLIC AFFAIRS, DELPHI SCH 50.00	74,461.	2,118.	0.
MARIA AGRILLO 890 POMEROY SANTA CLARA, CA 95051	HEAD OF ADMISSIONS, SANTA 50.00	45,340.	3,624.	0.
KAREN DALE 11341 BRAINARD AVENUE LAKE VIEW TERRACE, CA 91342	BUSINESS MANAGER, LOS ANGE 50.00	26,601.	82.	0.
MARCY GARROTT-GREEN 890 POMEROY SANTA CLARA, CA 95051	HEADMISTRESS, SANTA CLARA 55.00	58,980.	0.	0.
HEATHER KERTCHEM 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	DEP. DIRECTOR OF CURRICULU 50.00	57,129.	2,117.	0.

JEANNE MCKEVITT 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	HEAD OF FINANCE, DSI 50.00	54,860.	2,117.	0.
MARY REINHART 10646 LEDEEN DRIVE LAKE VIEW TERRACE, CA 91342	HEADMISTRESS, LOS ANGELES 55.00	50,512.	82.	0.
LESLIE TOTH 1229 4TH STREET SANTA MONICA, CA 90401	HEADMISTRESS, SANTA MONICA 55.00	49,700.	46.	0.
SUZAN WEHNER 890 POMEROY SANTA CLARA, CA 95051	DEAN, SANTA CLARA 50.00	42,608.	0.	0.
SUZAN OTT 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	DEVELOPMENT OFFICER 40.00	52,537.	2,697.	0.
JULIE NOSKO 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	BUSINESS MANAGER, SHERIDAN 50.00	55,568.	2,118.	0.
DONETTA PHELPS 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	HEAD OF ADMISSIONS, SHERIDAN 50.00	75,275.	2,118.	0.
GERALD RIPP 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	ESTATES MANAGER, SHERIDAN 55.00	62,353.	2,118.	0.
LINDA SIEGEL 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	DEAN OF STUDENTS, SHERIDAN 55.00	61,942.	2,118.	0.
BRUCE WIGGINS 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	PROMOTIONS & TOURS, SHERIDAN 50.00	55,782.	2,118.	0.
MARTI WIGGINS 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	RE-ENROLLMENT REGISTRAR, SHERIDAN 50.00	61,307.	2,118.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		1,417,422.	37,339.	0.

FORM 990 EXPLANATION OF RELATIONSHIP STATEMENT 14
PART V-A, LINE 75B

INDIVIDUAL'S NAME	TITLE OR ROLE
GREGORY OTT	PRESIDENT

INDIVIDUAL'S NAME	TITLE OR ROLE
SUZAN OTT	DEVELOPMENT OFFICER

EXPLANATION OF RELATIONSHIP

KEY EMPLOYEE IS SPOUSE OF OFFICER

INDIVIDUAL'S NAME	TITLE OR ROLE
JOHN NOSKO	SECRETARY & TREASURER

INDIVIDUAL'S NAME	TITLE OR ROLE
JULIE NOSKO	BUSINESS MANAGER

EXPLANATION OF RELATIONSHIP

KEY EMPLOYEE IS SPOUSE OF OFFICER

INDIVIDUAL'S NAME	TITLE OR ROLE
MARTI WIGGINS	REGISTRAR, SHERIDAN

INDIVIDUAL'S NAME	TITLE OR ROLE
BRUCE WIGGINS	PROMOTIONS & TOURS, SHERIDAN

EXPLANATION OF RELATIONSHIP

KEY EMPLOYEES ARE SPOUSES

INDIVIDUAL'S NAME	TITLE OR ROLE
MARK SIEGEL	PUBLIC AFFAIRS

INDIVIDUAL'S NAME	TITLE OR ROLE
LINDA SIEGEL	DEAN OF STUDENTS

EXPLANATION OF RELATIONSHIP

KEY EMPLOYEES ARE SPOUSES

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 15

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE ORGANIZATION'S ACTIVITIES FURTHER ITS EXEMPT PURPOSE BY PROVIDING EDUCATIONAL INSTRUCTION TO YOUNG STUDENTS. FINANCIAL AID AND SCHOLARSHIPS: THE ORGANIZATION INVITES ALL STUDENTS TO APPLY FOR FINANCIAL AID AND SCHOLARHIPS, IN THE FORM OF TUITION DISCOUNTS, ON A RACIALLY NONDISCRIMINATORY BASIS. AN INDEPENDENT NATIONAL ORGANIZATION EVALUATES EACH STUDENT'S APPLICATION ON THE BASIS OF FINANCIAL NEED. FOR THE 2007-2008 SCHOOL YEAR, THE ORGANIZATION

OFFERED 163 ELIGIBLE STUDENTS A TOTAL OF $705,797 IN FINANCIAL AID AND SCHOLARSHIPS. FINANCIAL AID AND SCHOLARSHIPS ARE BASED ON NEED AND AND ACADEMIC MERIT. NO CASH PAYMENTS OR GRANTS WERE MADE TO ANY STUDENT.

93B THE ORGANIZATION'S BOARDING SCHOOL ACTIVITIES FURTHER ITS EXEMPT PURPOSES BY PROVIDING THE FACILITY WHERE EDUCATIONAL ACTIVITIES ARE CARRIED ON.

93C THE ORGANIZATION'S YEARBOOK AND MISCELLANEOUS ACTIVITIES FEES RESULT FROM STUDENT SERVICES WHICH ARE AN INTEGRAL PART OF ITS OVERALL EDUCATIONAL PROGRAMS.

93D THE ORGANIZATION'S BOOK SALES FURTHER ITS EXEMPT PURPOSES BY PROVIDING EDUCATIONAL INSTRUCTIONAL MATERIALS TO STUDENTS AND OTHER SCHOOLS.

100 THE ORGANIZATION'S GAIN WAS FROM THE SALE OF MISCELLANEOUS FIXED ASSETS USED BY THE ORGANIZATION IN FURTHERANCE OF ITS EXEMPT PURPOSE.

SCHEDULE A | EXPLANATION OF TRANSACTIONS PART III, LINE 2C | STATEMENT 16

DELPHI SCHOOLS, INC.'S EMPLOYEES ARE REQUIRED TO ACCEPT ROOM AND BOARD ON ITS PREMISES AS A CONDITION OF THEIR EMPLOYMENT. THE TREASURY REGULATIONS ON INCOME TAX (1986 CODE) STATE THAT THE VALUE OF SUCH ITEMS ARE TO BE REPORTED ON FORM 990 ONLY TO THE EXTENT THAT SUCH AMOUNTS ARE INCLUDIBLE IN THE GROSS INCOME OF EMPLOYEES. SECTION 119 OF THE INTERNAL REVENUE CODE OF 1986 EXCLUDES SUCH AMOUNTS FROM THE GROSS INCOME OF DELPHI SCHOOLS, INC.'S EMPLOYEES; THEREFORE, THE VALUE OF ROOM AND BOARD HAS NOT BEEN DEVELOPED OR REPORTED (NOR HAS IT BEEN DEVELOPED OR REPORTED IN COLUMN E, PART V-A OF FORM 990 -- OR COLUMN E, PART I OF SCHEDULE A).

SCHEDULE A | EXPLANATION OF TRANSACTIONS PART III, LINE 2D | STATEMENT 17

THE ORGANIZATION PAID COMPENSATION TO ITS OFFICERS, DIRECTORS AND KEY EMPLOYEES LISTED IN STATEMENT 13, AS WELL AS THEIR FOLLOWING RELATIVES:

TREVOR OTT, TEACHER, OFFICER'S SON: $31,404
APRIL DENNY OTT, MARKETING, OFFICER'S DAUGHTER-IN-LAW: $22,492
NOWELL DIDEAR, CURRICULUM DVLPMT SPECIALIST, OFFICER'S SPOUSE: $23,977
JOELLE ROTHE, TEACHER, OFFICER'S SPOUSE: $2,290

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 18
PART III, LINE 3A

FINANCIAL AID & SCHOLARSHIPS: THE ORGANIZATION INVITES ALL STUDENTS TO APPLY FOR FINANCIAL AID AND SCHOLARHIPS, IN THE FORM OF TUITION DISCOUNTS, ON A RACIALLY NONDISCRIMINATORY BASIS. AN INDEPENDENT NATIONAL ORGANIZATION EVALUATES EACH STUDENT'S APPLICATION ON THE BASIS OF FINANCIAL NEED.

DELPHI SCHOOLS, INC.
93-0630376
DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT
YEAR-END 12/31/07

DESCRIPTION	CURRENT YEAR DEPRECIATION
FURNITURE AND FIXTURES	10,603
EQUIPMENT	131,368
LEASEHOLD IMPROVEMENTS	86,908
rounding difference	2
TOTAL TO FORM 990, PART II, LINE 42	228,881

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND FIXTURES	308,406	281,055	27,351
EQUIPMENT	1,233,036	827,668	405,368
LEASEHOLD IMPROVEMENTS	1,693,760	1,085,716	608,044
TOTAL TO FORM 990, PART IV, LINE 57	3,235,202	2,194,439	1,040,763