

Return of Organization Exempt from Income Tax

2004

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

Open to Public Inspection

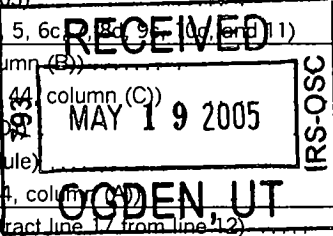
Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2004 calendar year, or tax year beginning, 2004, and ending; B Check if applicable; C Name of organization, REDF; D Employer Identification Number, 54-2132153; E Telephone number, (415) 561-6677; F Accounting method, Accrual; G Web site, www.redf.org; J Organization type, 501(c) 3; K Check here; L Gross receipts, 7,481,645.

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

Table with 21 rows detailing revenue and expenses. Row 1: Contributions, gifts, grants, and similar amounts received. Row 12: Total revenue, 7,481,645. Row 17: Total expenses, 2,134,358. Row 18: Excess or (deficit) for the year, 5,347,287. Row 21: Net assets or fund balances at end of year, 5,659,128.



SCANNED JUL 05 2005

EXPLANATIONS

2 613

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ 783,450. non-cash \$ 0.)	22 783,450.	783,450.		
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 133,257.	73,291.	13,326.	46,640.
26 Other salaries and wages	26 405,343.	303,729.	89,008.	12,606.
27 Pension plan contributions	27 14,916.	10,000.	3,111.	1,805.
28 Other employee benefits	28 46,192.	33,836.	7,155.	5,201.
29 Payroll taxes	29 37,688.	26,381.	7,161.	4,146.
30 Professional fundraising fees	30 89,413.	0.	0.	89,413.
31 Accounting fees	31 10,970.	5,894.	3,753.	1,323.
32 Legal fees	32 3,317.	2,057.	854.	406.
33 Supplies	33 5,988.	4,086.	1,224.	678.
34 Telephone	34 7,569.	5,012.	1,673.	884.
35 Postage and shipping	35 3,095.	2,098.	644.	353.
36 Occupancy	36 67,689.	47,382.	12,861.	7,446.
37 Equipment rental and maintenance	37 2,469.	1,643.	539.	287.
38 Printing and publications	38 2,627.	1,088.	1,114.	425.
39 Travel	39 7,288.	4,940.	1,525.	823.
40 Conferences, conventions, and meetings	40 4,784.	3,140.	1,083.	561.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42 11,090.	0.	11,090.	0.
43 Other expenses not covered above (itemize)				
a Measurement of social outcomes	43a 259,148.	259,148.	0.	0.
b Marketing	43b 124,976.	94,889.	19,598.	10,489.
c Strategic business assistance	43c 35,367.	35,367.	0.	0.
d Technology	43d 34,455.	24,289.	6,373.	3,793.
e See Other Expenses Stmt	43e 43,267.	32,563.	7,414.	3,290.
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 2,134,358.	1,754,283.	189,506.	190,569.

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

What is the organization's primary exempt purpose? 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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a See attached ----- ----- ----- (Grants and allocations \$ 783,450.)	1,754,283.
b ----- ----- (Grants and allocations \$)	
c ----- ----- (Grants and allocations \$)	
d ----- ----- (Grants and allocations \$)	
e Other program services (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,754,283.

Part IV Balance Sheets (See Instructions)

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

		(A) Beginning of year	(B) End of year	
ASSETS	45 Cash – non-interest-bearing	45	24,070.	
	46 Savings and temporary cash investments	46	1,303,571.	
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a	4,318,110.	
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments – land, buildings, & equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments – other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a	30,500.	
	b Less: accumulated depreciation (attach schedule) L-57 Stmt	57b	11,090.	
58 Other assets (describe <input type="checkbox"/> Deposits)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	0.	59	5,693,532.	
LIABILITIES	60 Accounts payable and accrued expenses		60	34,404.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
	66 Total liabilities (add lines 60 through 65)	0.	66	34,404.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	2,076,018.
	68 Temporarily restricted		68	3,583,110.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21)		73	5,659,128.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	0.	74	5,693,532.

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.

BAA

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

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

a	Total revenue, gains, and other support per audited financial statements	a	7,481,645.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	7,481,645.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	7,481,645.

a	Total expenses and losses per audited financial statements	a	2,134,358.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	2,134,358.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	2,134,358.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
George R. Roberts 2800 Sand Hill Road #200 Menlo Park, CA 94025	Chair 1	0.	0.	0.
Stuart Davidson 101 University Avenue, Fourth Floor Palo Alto, CA 94301	Secretary/Treasurer 1	0.	0.	0.
Talbott Lea Simonds 1900 Grant Building Pittsburg, PA 15213	Director 1	0.	0.	0.
Kristen Ace Burns 38 Keyes Avenue #100 San Francisco, CA 94129	President 40	133,257.	16,301.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No
 If 'Yes,' attach schedule - see instructions

Part VI Other Information (See 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		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		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		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?		X
	b If 'Yes,' enter the name of the organization _____ 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	0.
81b	b Did the organization file Form 1120-POL for this year?		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?	X	
82b	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?	X	
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
85b	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		
	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	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	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?		
86	501(c)(7) organizations 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) organizations. 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		X
89a	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.		
89b	b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 _____ 0.		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization _____ 0.		
90a	List the states with which a copy of this return is filed _____ California _____	90a	6
90b	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)		
91	The books are in care of _____ REDE _____ Telephone number _____ (415) 561-6677 _____ Located at _____ 38 Keyes Avenue, Suite 100, San Francisco, CA _____ ZIP + 4 _____ 94129 _____		
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 _____		

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	6,995.	
96 Dividends & 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 pers prop					
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 Miscellaneous income			1	1,426.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				8,421.	
105 Total (add line 104, columns (B), (D), and (E))					8,421.

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 instructions)

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	0			
	0			
	0			
	0			

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

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

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

Please Sign Here

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

► Kristen A. Burns
Signature of officer

► Kristen Burns, President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Carl M. Arntzen, CPA

Firm's name (or yours if self-employed), address, and ZIP + 4:
 ► CARL M. ARNTZEN, CPA
 ► 44 AMBER DR
 ► SAN FRANCISCO

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under
Section 501(c)(3)

OMB No 1545-0047

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

2004

Supplementary Information — (See separate instructions.)

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

Department of the Treasury
Internal Revenue Service

Name of the organization: REDF Employer identification number: 54-2132153

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
<u>Cynthia Gair</u> ----- 38 Keyes Ave. #100, San Francisco, CA 94129	<u>Portfolio Director</u> 40	<u>124,030.</u>	<u>8,526.</u>	<u>0.</u>
<u>Christine Kawakami Edmunds</u> ----- 38 Keyes Ave. #100, San Francisco, CA 94129	<u>Enterprise Development Manager</u> 40	<u>95,448.</u>	<u>13,231.</u>	<u>0.</u>
<u>Vanessa Collins</u> ----- 38 Keyes Ave. #100, San Francisco, CA 94129	<u>Director of Ops. & Commun.</u> 40	<u>79,122.</u>	<u>11,174.</u>	<u>0.</u>
----- -----				
----- -----				
Total number of other employees paid over \$50,000 ▶	<u>None</u>			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms) If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>BTW Consultants</u> ----- 2550 9th St. #113, Berkeley, CA	<u>Social Outcome Measurement</u>	<u>217,750.</u>
<u>Chen Design Associates</u> ----- 589 Howard St. 4th Floor, San Francisco, CA	<u>Marketing/Web site</u>	<u>71,651.</u>
<u>Barbara Pierce</u> ----- 4266 Ceasar Chavez St., San Francisco, CA	<u>Fundraising Consultant</u>	<u>84,971.</u>
<u>Dayspring Technologies</u> ----- 58 Second St., 3rd Floor, San Francisco, CA	<u>Data Resource Management</u>	<u>51,587.</u>
----- -----		
Total number of others receiving over \$50,000 for professional services ▶	<u>None</u>	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2004

Part III Statements About Activities (See 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) 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		X
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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See instructions)

The organization is not a private foundation because it is. (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6** A school. Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7** A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8** A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9** A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state ▶** _____
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11 a** 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.)
- 11 b** A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12** An organization that normally receives: **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3).)

Provide the following information about the supported organizations (See instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	0.	0.	0.	0.	0.
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, 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	0.	0.	0.	0.	0.
25 Enter 1% of line 23	0.	0.	0.	0.	0.

26 Organizations described on lines 10 or 11:

a Enter 2% of amount in column (e), line 24 ▶ **26a** 0.

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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ **26b**

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** 0.

d Add: Amounts from column (e) for lines: **18** _____ **19** _____ ▶ **26d**
22 _____ **26b** _____

e Public support (line 26c minus line 26d total) ▶ **26e** 0.

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

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
 (2003) _____ (2002) _____ (2001) _____ (2000) _____

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 11, 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
 (2003) _____ (2002) _____ (2001) _____ (2000) _____

c Add: Amounts from column (e) for lines: **15** _____ **16** _____ ▶ **27c**
17 _____ **20** _____ **21** _____

d Add: Line 27a total _____ and line 27b total _____ ▶ **27d**

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

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ **27f** |

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

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

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----	32d	
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----	33h	
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement	34b	
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	

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

N/A

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

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table -- If the amount on line 40 is -- The lobbying nontaxable amount is -- Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 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	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		
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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.

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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 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?

- a Transfers from the reporting organization to a noncharitable exempt organization of
 - (i) Cash
 - (ii) Other assets
- b Other transactions.
 - (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations
- c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
51 a (i)		X
a (ii)		X
b (i)		X
b (ii)		X
b (iii)		X
b (iv)		X
b (v)		X
b (vi)		X
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.

(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:

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

Supporting Statement of:

Form 990 p 1/Line 20

Description	Amount
Adjustment to comply with FASB 116 & 117 on the accrual basis of accounting under Notice 96-30, 1996-1 C.B. 378--there was no expense incurred in 2003 and all 2003 promises were received in 2004 and are included in the 2004 Schedule B.	311,841.
Total	311,841.

REDF #54-2132153
990, Pg 2, Part II, Line 22
2004 Grants Made

Grantee (name and address)	Date of 2004 commitment	Total 2004 commitment	Purpose of 2004 grant	Amount paid during the year	Balance payable at year-
Community Gatepath 875 Stanton Road Burlingame, CA 94010	July 2004	\$150,000	Enterprise grant - unrestricted	\$150,000	0
	6/3/2004	\$550	AccuData - purchased list of local printers & manufacturers	\$550	0
	6/7/2004	\$5,500	2004 Farber Interns Program	\$5,500	0
<i>Community Gatepath total</i>		\$156,050		\$156,050	\$0
Community Vocational Enterprises, Inc. (CVE) 1425 Folsom Street San Francisco, CA 94103	6/15/2004	\$150,000	Enterprise grant - unrestricted	\$150,000	0
	12/20/2004	\$1,000	Grant for participation in REDF's 10 year assessment	\$1,000	0
<i>Community Vocational Enterprises, Inc (CVE) total</i>		\$151,000		\$151,000	\$0
Golden Gate Community, Inc. (GGCI) 3075 21 st Street San Francisco, CA 94110	Jun-04	\$150,000	Enterprise grant - unrestricted	\$150,000	0
	6/7/2004	\$5,500	2004 Farber Interns Program	\$5,500	0
	12/20/2004	\$1,000	Grant for participation in REDF's 10 year assessment	\$1,000	0
<i>Golden Gate Community, Inc (GGCI) total.</i>		\$156,500		\$156,500	\$0
Juma Ventures 131 Steuart Street, Suite 201 San Francisco, CA 94105	Jun-04	\$150,000	Enterprise grant - unrestricted	\$150,000	0
	10/4/2004	\$900	Chestnut St scoop shop retention bonuses	\$900	0
	12/20/2004	\$500	legal costs related to B&J store transfer	\$500	0
	6/7/2004	\$5,500	2004 Farber Interns Program	\$5,500	0
	12/20/2004	\$1,000	Grant for participation in REDF's 10 year assessment	\$1,000	0
<i>Juma Ventures total</i>		\$157,900		\$157,900	\$0
Rubicon Programs 2500 Bissell Street Richmond, CA 94804	6/15/2004	\$150,000	Enterprise grant - unrestricted	\$150,000	0
	6/7/2004	\$11,000	2004 Farber Interns Program	\$11,000	0
	12/20/2004	\$1,000	Grant for participation in REDF's 10 year assessment	\$1,000	0
<i>Rubicon Programs total</i>		\$162,000		\$162,000	\$0
Total Grants in 2004:		\$783,450		\$783,450	\$0

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize):	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Payroll services	14,963.	10,048.	3,192.	1,723.
MBA intern & fellow services	18,744.	18,744.	0.	0.
Insurance	6,208.	1,515.	3,499.	1,194.
Advisory council	1,350.	942.	259.	149.
Recruiting	1,215.	814.	273.	128.
Miscellaneous	787.	500.	191.	96.
Total	<u>43,267.</u>	<u>32,563.</u>	<u>7,414.</u>	<u>3,290.</u>

Form 990, Page 3, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
DEPRECIATION SCHEDULE:			
Furniture and equipment, straight line	30,500.	11,090.	19,410.
Total	<u>30,500.</u>	<u>11,090.</u>	<u>19,410.</u>

REDF #54-2132153
990, Pg. 2, Part III Programs

REDF began as a project of The Roberts Foundation and was incorporated in November 2003 as an independent nonprofit corporation under the laws of the State of California to create opportunities for homeless and low income persons to move out of poverty. REDF provides guidance, leadership and investment to a portfolio of nonprofit social enterprises, changing the lives of people who face poverty, homelessness, mental illness and other barriers to employment.

REDF accomplishes three things:

- (1) We help people move out of poverty;
- (2) We increase the organizational ability of nonprofit social enterprises to provide sustainable, long-term solutions to chronic poverty and homelessness; and
- (3) We introduce new ideas and innovative methods that enrich the nonprofit and philanthropic communities as a whole.

Of the 750,000 people living in San Francisco, more than 86,000 live in poverty. REDF addresses chronic poverty and homelessness in the San Francisco Bay Area by expanding the organizational capacity of nonprofit social enterprises that work to end poverty. We provide guidance, leadership, financial support and training to build our portfolio organizations' capacity to help others. REDF Portfolio enterprises have employed more than 2,500 individuals to date. 78% of enterprise employees are still employed after two years--these individuals are stabilizing their lives, staying out of jail, and tripling their incomes.

As an intermediary, we rigorously screen the organizations we choose to work with and strengthen those we help so that contributions are well placed to create real impact. Measurement is a critical element of REDF's approach, and we continue to create and refine tools to better understand and improve the impact of our work. REDF's model works. Our efforts are changing the way people think about job training, employment, measurement and philanthropy. The entire social enterprise community benefits from the tools we make public; our methodology is taught at respected universities; our portfolio organizations are strengthened over time; and ultimately, the people they serve learn how to help themselves.

Program Expenditures, including \$783,450 grants as per attached schedule: \$1,754,283