EXTENSION ATTACHED

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

2006

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning JUL 1, 2006 and ending JUN 30, 2007

B Check if applicable: [X] Address change; [ ] Name change; [ ] Initial return; [ ] Final return; [ ] Amended return; [ ] Application pending

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

C Name of organization: SPENCE-CHAPIN SERVICES TO FAMILIES AND CHILDREN

Number and street (or P.O. box if mail is not delivered to street address): 410 EAST 92ND STREET — Room/suite:

City or town, state or country, and ZIP + 4: NEW YORK, NY 10128-6804

D Employer identification number 13-1834590

E Telephone number 212-369-0300

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

G Website: ▶ N/A

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.

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 38,335,739.

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

			(A) Securities		(B) Other		
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	1,788,613.		
	c	Indirect public support (not included on line 1a)		1c			
	d	Government contributions (grants) (not included on line 1a)		1d	141,210.		
	e	**Total** (add lines 1a through 1d) (cash $ 1,929,823. noncash $)				1e	1,929,823.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)				2	1,645,374.
	3	Membership dues and assessments				3	
	4	Interest on savings and temporary cash investments				4	88,065.
	5	Dividends and interest from securities				5	419,265.
	6 a	Gross rents		6a			
	b	Less: rental expenses		6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a				6c	
	7	Other investment income (describe ▶ ROYALTIES ON MINERAL INTERESTS)				7	1,373,211.
	8 a	Gross amount from sales of assets other than inventory	8,923,285.	8a	23,000,000.		
	b	Less: cost or other basis and sales expenses	7,311,303.	8b	1,235,228.		
	c	Gain or (loss) (attach schedule)	1,611,982.	8c	21,764,772.		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	STMT 2		STMT 3	8d	23,376,754.
	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]					
	a	Gross revenue (not including $ 0. of contributions reported on line 1b)		9a	143,314.		
	b	Less: direct expenses other than fundraising expenses		9b	41,364.		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a	SEE STATEMENT 4			9c	101,950.
	10 a	Gross sales of inventory, less returns and allowances		10a	812,793.		
	b	Less: cost of goods sold		10b	707,801.		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			STMT 5	10c	104,992.
	11	Other revenue (from Part VII, line 103)				11	609.
	12	**Total revenue** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	29,040,043.
Expenses	13	Program services (from line 44, column (B))				13	6,140,212.
	14	Management and general (from line 44, column (C))				14	823,352.
	15	Fundraising (from line 44, column (D))				15	611,427.
	16	Payments to affiliates (attach schedule)				16	
	17	**Total expenses.** Add lines 16 and 44, column (A)				17	7,574,991.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12				18	21,465,052.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	36,454,041.
	20	Other changes in net assets or fund balances (attach explanation)	SEE STATEMENT 6			20	1,530,341.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21	59,449,434.

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623001 01-18-07 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.** Form **990** (2006)

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

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) STATEMENT 9	23	291,633.	291,633.		
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A STMT 8	25a	322,532.	138,689.	183,843.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	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	3,522,980.	3,004,647.	258,922.	259,411.
27 Pension plan contributions not included on lines 25a, b, and c	27	213,903.	176,530.	26,504.	10,869.
28 Employee benefits not included on lines 25a - 27	28	433,224.	381,824.	25,189.	26,211.
29 Payroll taxes	29	274,877.	227,785.	28,609.	18,483.
30 Professional fundraising fees	30				
31 Accounting fees	31	19,000.	14,968.	2,755.	1,277.
32 Legal fees	32	87,163.	47,121.	39,982.	60.
33 Supplies	33	56,819.	44,501.	6,947.	5,371.
34 Telephone	34	30,282.	24,800.	3,746.	1,736.
35 Postage and shipping	35	89,885.	60,956.	3,004.	25,925.
36 Occupancy	36	336,510.	267,190.	42,157.	27,163.
37 Equipment rental and maintenance	37				
38 Printing and publications	38	104,935.	47,541.	267.	57,127.
39 Travel	39	150,854.	148,821.	1,421.	612.
40 Conferences, conventions, and meetings	40	36,973.	23,569.	6,237.	7,167.
41 Interest	41	445,133.	344,622.	74,204.	26,307.
42 Depreciation, depletion, etc (attach schedule)	42	124,035.	93,608.	20,792.	9,635.
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 7	43g	1,034,253.	801,407.	98,773.	134,073.
44 **Total functional expenses** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	7,574,991.	6,140,212.	823,352.	611,427.

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

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 10

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)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a WE PROVIDED ADOPTION COUNSELING FOR OVER 170 WOMEN FACING AN UNPLANNED PREGNANCY AND PLACED 75 CHILDREN, MANY WITH SPECIAL NEEDS, WITH ADOPTIVE HOMES. (SEE FOOTNOTE 1) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	3,056,463.
b WE FOUND ADOPTIVE HOMES FOR 104 ORPHANED AND VULNERABLE CHILDREN FROM OVERSEAS AND IN SEVERAL LOCATIONS SUPPORTED "GRANNY" PROGRAMS TO PROVIDE EXTRA CARE FOR THE CHILDREN LEFT BEHIND. (SEE FOOTNOTE 2) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,178,273.
c WE HOSTED 26 ADOPTION EDUCATION AND CHILD DEVELOPMENT WORKSHOPS (336 ATTENDEES) AND WE OFFERED FOUR REGULARLY-SCHEDULED SUPPORT GROUPS FOR BIRTH AND ADOPTIVE PARENTS. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	905,476.
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) ▶	6,140,212.

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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		883,668.	45	641,782.
46	Savings and temporary cash investments			46	
47 a	Accounts receivable	47a 219,683.			
b	Less: allowance for doubtful accounts	47b	171,447.	47c	219,683.
48 a	Pledges receivable	48a 3,971,049.			
b	Less: allowance for doubtful accounts	48b	3,852,049.	48c	3,971,049.
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		71,272.	52	77,271.
53	Prepaid expenses and deferred charges		64,074.	53	131,700.
54 a	Investments - publicly-traded securities ▶ ☐ Cost ☐ FMV			54a	
b	Investments - other securities STMT 12 ▶ ☐ Cost ☒ FMV		30,881,244.	54b	50,875,207.
55 a	Investments - land, buildings, and equipment: basis	55a			
b	Less: accumulated depreciation	55b		55c	
56	Investments - other			56	
57 a	Land, buildings, and equipment: basis	57a 14,693,705.			
b	Less accumulated depreciation	57b 436,873.	11,165,591.	57c	14,256,832.
58	Other assets, including program-related investments (describe ▶)			58	
59	**Total assets** (must equal line 74) Add lines 45 through 58		47,089,345.	59	70,173,524.
Liabilities					
60	Accounts payable and accrued expenses		760,304.	60	849,090.
61	Grants payable			61	
62	Deferred revenue			62	
63	Loans from officers, directors, trustees, and key employees			63	
64 a	Tax-exempt bond liabilities STMT 11		9,875,000.	64a	9,875,000.
b	Mortgages and other notes payable			64b	
65	Other liabilities (describe ▶)			65	
66	**Total liabilities.** Add lines 60 through 65		10,635,304.	66	10,724,090.
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		29,277,901.	67	51,759,809.
68	Temporarily restricted		5,986,828.	68	6,484,695.
69	Permanently restricted		1,189,312.	69	1,204,930.
	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)		36,454,041.	73	59,449,434.
74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		47,089,345.	74	70,173,524.

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	31319549.
b	Amounts included on line **a** but not on Part I, line 12				
1	Net unrealized gains on investments	b1	1,530,341.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify) SEE STATEMENT 13	b4	749,165.		
	Add lines **b1** through **b4**			b	2,279,506.
c	Subtract line **b** from line **a**			c	29040043.
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	29040043.

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

a	Total expenses and losses per audited financial statements			a	8,324,156.
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) SEE STATEMENT 14	b4	749,165.		
	Add lines **b1** through **b4**			b	749,165.
c	Subtract line **b** from line **a**			c	7,574,991.
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	7,574,991.

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
DR. MARY H. WHITE C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	PRESIDENT 7.00	0.	0.	0.
MS. MARTHA KUNKIS C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	VICE PRESIDENT 3.00	0.	0.	0.
MS. MAUD WELLES C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	VICE PRESIDENT 3.00	0.	0.	0.
MR. MICHAEL WISE C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	TREASURER 3.00	0.	0.	0.
MS. MARY ELLEN GEISSER C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	SECRETARY 3.00	0.	0.	0.
MS. KATHARINE LEGG C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	EXECUTIVE DIRECTOR 45.00	175,000.	18,364.	0.
MS. EMILY SACHS C/O SPENCE-CHAPIN 410 E 92TH ST. NEW YORK, NY 10128	CHIEF FINANCIAL OFFICER 45.00	120,000.	9,168.	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 ▶ 23			
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)	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."	75c		X
	If "Yes," attach a statement that includes the information described in the instructions.			
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
NONE				

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 ☐ exempt or ☐ nonexempt			
81 a	Enter direct or 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? N/A	83b		
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	*501(c)(4), (5), or (6) organizations.* **a** 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 ▶ NY

b Number of employees employed in the pay period that includes March 12, 2006 90b 92

91 a The books are in care of ▶ EMILY SACHS Telephone no. ▶ 212-369-0300

Located at ▶ 410 EAST 92ND STREET, NEW YORK, NY ZIP + 4 ▶ 10128

			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 PROGRAM SERVICE FEES					1,645,374.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	88,065.	
96 Dividends and interest from securities			14	419,265.	
97 Net rental income or (loss) from real estate.					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			15	1,373,211.	
100 Gain or (loss) from sales of assets other than inventory			18	23,376,754.	
101 Net income or (loss) from special events			07	101,950.	
102 Gross profit or (loss) from sales of inventory			05	104,992.	
103 Other revenue					
a OTHER INCOME			01	609.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		25,464,846.	1,645,374.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 27,110,220.

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).
93A	REVENUE IN CONNECTION WITH ADOPTION SERVICES

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).*

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

Katharine S. Legg — Signature of officer — Date 1/11/08

KATHARINE S. LEGG, Executive Director — Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Anthony Dattoma — Date 1-9-08 — 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: PUSTORINO, PUGLISI & CO., LLP, 515 MADISON AVENUE, NEW YORK, NY 10022 — EIN — Phone no. (212) 832-1110

Form **990** (2006)

623164/01-26-07

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

2006

Name of the organization: SPENCE-CHAPIN SERVICES TO FAMILIES AND CHILDREN

Employer identification number 13 1834590

Part I **Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 2 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
LINDA WRIGHT 410 EAST 92ND STREET, NEW YORK, NY 10	DIRECTOR 45.00	109,240.		
SABRA LARKIN-ELLIOTT 410 EAST 92ND STREET, NEW YORK, NY 10	DIRECTOR 45.00	95,251.		
SUSAN WATSON 410 EAST 92ND STREET, NEW YORK, NY 10	DIRECTOR 45.00	87,550.		
GRETCHEN VIEDERMAN 410 EAST 92ND STREET, NEW YORK, NY 10	DIRECTOR 35.00	73,764.		
LOUISE SCHNAIER 410 EAST 92ND STREET, NEW YORK, NY 10	DIRECTOR 45.00	80,262.		
Total number of other employees paid over $50,000 ▶	0			

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
BROMLEY CALDARI ARCHITECTS, PC 242 WEST 27TH STREET, NEW YORK, NY 10001	ARCHITECT	270,604.
ANDREA & ASSOCIATES 112 EAST 23RD STREET, NEW YORK, NY 10010	PUBLIC RELATIONS	72,603.
HELENE LAUFFER C/O SPENCE CHAPIN 410 EAST 90ND STREET, NEW YORK,	CONSULTANT	55,125.
MADONNA DESIGNS LLC HARBORSIDE PLAZA 10, 3 SECOND STREET, STE 1203, N	BUILDING PROJECT MANAGEMENT	54,750.
GOLDMAN COPELAND ASSOCIATES 520 EIGHTH AVENUE, NEW YORK, NY 10018	ENGINEER	50,284.
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
VANGUARD CONSTRUCTION & DEVELOPMENT CO. INC 307 WEST 38TH STREET, NEW YORK, NY 10018	GENERAL CONTRACTORS	2,895,738.
EVENSONBEST LLC 641 AVENUE OF THE AMERICAS, NEW YORK, NY 10011	OFFICE PARTITIONS, FURNITURE, & EQ	732,608.
BBH SOLUTIONS 121 EAST 24TH STREET, NEW YORK, NY 10010	COMPUTER AND AUDIOVISUAL EQUIP	176,741.
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?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	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.)	3a		X
b	Dd 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 ▶		N/A	
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 7 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 [ ] 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 [X] 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 7 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 7 of the 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	6,239,253.	2,069,401.	1,756,490.	1,217,838.	11,282,982.
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	2,622,952.	2,589,208.	2,000,866.	1,949,464.	9,162,490.
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	1,948,803.	1,328,632.	1,229,200.	1,224,929.	5,731,564.
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	10811008.	5,987,241.	4,986,556.	4,392,231.	26,177,036.
24 Line 23 minus line 17	8,188,056.	3,398,033.	2,985,690.	2,442,767.	17,014,546.
25 Enter 1% of line 23	108,110.	59,872.	49,866.	43,922.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 340,291.

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 2002 through 2005 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 713,832.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 17,014,546.

d Add: Amounts from column (e) for lines: 18 5,731,564. 19 ______ 22 ______ 26b 713,832. ▶ 26d 6,445,396.

e Public support (line 26c minus line 26d total) ▶ 26e 10,569,150.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 62.1183%

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: N/A

(2005) (2004) (2003) (2002)

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: N/A

(2005) (2004) (2003) (2002)

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 2002 through 2005, 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.

NONE

Part V **Private School Questionnaire** (See page 9 of the instructions.) N/A

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

			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		
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		
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		
	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?	32d		
	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		
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?	33h		
	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		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 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) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 of the instructions.) N/A

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			
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.)			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 13 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

623152
01-18-07

Schedule A — Identification of Excess Contributions Included on Part IV-A, Line 26b — 2006

** Do Not File **

*** Not Open to Public Inspection ***

Contributor's Name	Total Contributions	Excess Contributions
	399,919.	59,628.
	994,495.	654,204.

Total Excess Contributions to Schedule A, Line 26b 713,832.

623171/05-01-06

FOOTNOTES STATEMENT 1

FOOTNOTE #1:
IN OUR DOMESTIC ADOPTION PROGRAM,WE PROVIDED COUNSELING SERVICES FOR OVER 170 WOMEN AND PLACED 75 CHILDREN IN ADOPTIVE HOMES.MANY OF THESE CHILDREN HAVE SPECIAL MEDICAL AND DEVELOPMENTAL NEEDS.
INTERIM BOARDING HOME CARE AND MEDICAL SUPERVISION WAS PROVIDED FOR 85 CHILDREN IN THIS PROGRAM.

FOOTNOTE #2:
WE FOUND ADOPTIVE HOMES FOR 104 CHILDREN FROM ASIA,LATIN AMERICA, AND EASTERN EUROPE, PROVIDING EACH ADOPTIVE FAMILY WITH EXTENSIVE PREPARATION FOR BRINGING A CHILD OF A DIFFERENT CULTURE AND OFTEN UNKNOWN MEDICAL HISTORY INTO THEIR HOME.WE PROVIDE AID TO FOREIGN ORPHANAGES INCLUDING A PIONEERING "GRANNY" PROGRAM WHICH ENGAGES LOCAL WOMEN TO PROVIDE EXTRA,ONE-ON-ONE CARE AND ATTENTION TO CHILDREN STILL INSTITUTIONALIZED.

FOOTNOTE #3:
WE PROVIDED ADOPTION EDUCATION AND CHILD DEVELOPMENT PROGRAMS FOR THE GENERAL PUBLIC,ADOPTIVE FAMILIES, CHILDREN,AND PROFESSIONALS.OUR AFTERCARE PROGRAM OFFERED POST-ADOPTION AND REUNION SERVICES TO 497 ADOPTEES,BIRTH PARENTS AND THEIR FAMILIES.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 2

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
VARIOUS SECURITIES	8,923,285.	7,311,303.	0.	1,611,982.
TO FORM 990, PART I, LINE 8	8,923,285.	7,311,303.	0.	1,611,982.

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

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
BUILDINGS	06/30/48	06/30/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
RJM/EM 4 EAST 94TH ST, LLC	23000000.	1,885,499.	946,875.	1597146.	21,764,772.
TO FM 990, PART I, LN 8	23000000.	1,885,499.	946,875.	1597146.	21,764,772.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 4

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
THEATRE BENEFITS	143,314.		143,314.	41,364.	101,950.
TO FM 990, PART I, LINE 9	143,314.		143,314.	41,364.	101,950.

FORM 990 INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10 STATEMENT 5

INCOME		
1. GROSS RECEIPTS	812,793	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		812,793
4. COST OF GOODS SOLD (LINE 13)	707,801	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		104,992
COST OF GOODS SOLD		
6. INVENTORY AT BEGINNING OF YEAR		
7. MERCHANDISE PURCHASED		
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES	707,801	
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		707,801
12. INVENTORY AT END OF YEAR		
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		707,801

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 6

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	1,530,341.
TOTAL TO FORM 990, PART I, LINE 20	1,530,341.

FORM 990 OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
SUBSCRIPTIONS AND PUBLICATIONS	6,306.	4,362.	1,071.	873.
MEMBERSHIP DUES	25,858.	20,814.	3,939.	1,105.
INSURANCE	230,612.	179,023.	35,252.	16,337.
ADVERTISING/MEDIA	106,610.	106,084.	376.	150.
GENERAL EXPENSES	63,704.	41,253.	13,670.	8,781.
PROFESSIONAL FEES	454,616.	336,414.	20,036.	98,166.
RELOCATION EXPENSES	146,547.	113,457.	24,429.	8,661.
TOTAL TO FM 990, LN 43	1,034,253.	801,407.	98,773.	134,073.

FORM 990 OFFICER COMPENSATION ALLOCATION PART II, LINE 25A STATEMENT 8

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MS. KATHARINE LEGG	175,000.	18,364.		193,364.
A. PROGRAM SERVICES	75,250.	7,897.		83,147.
B. MANAGEMENT AND GENERAL	99,750.	10,467.		110,217.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MS. EMILY SACHS	120,000.	9,168.		129,168.
A. PROGRAM SERVICES	51,600.	3,942.		55,542.
B. MANAGEMENT AND GENERAL	68,400.	5,226.		73,626.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES	138,689.
TOTAL MANAGEMENT AND GENERAL	183,843.
TOTAL FUNDRAISING	
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PART II, LINE 25A	322,532.

FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 9

DESCRIPTION	AMOUNT
DIRECT ASSISTANCE	291,633.
TOTAL TO FORM 990, PART II, LINE 23	291,633.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 10
PART III

EXPLANATION

TO BUILD AND MAINTAIN PERMANENT FAMILIES BY ASSISTING PEOPLE WITH DOMESTIC AND FOREIGN ADOPTIONS AND PROVIDING INTENSIVE SOCIAL SERVICES TO FAMILIES.

FORM 990 TAX-EXEMPT BOND LIABILITIES OUTSTANDING STATEMENT 11

PURPOSE OF ISSUE

TO FINANCE THE ACQUISITION OF NEW OFFICE SPACE

USE BY THIRD PARTY	BOND RETIREMENT DATE	UNEXPENDED BOND PROCEEDS	AMOUNT OF ISSUE OUTSTANDING
NO	12/01/36	0.	9,875,000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A	9,875,000.

FORM 990 OTHER SECURITIES STATEMENT 12

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
INVESTMENTS	FMV	50,875,207.
TO FORM 990, LINE 54B, COL B		50,875,207.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 13

DESCRIPTION	AMOUNT
THRIFT SHOP INVENTORY COST NETTED AGAINST REVENUE ON FORM 990	707,801.
SPECIAL EVENTS DIRECT COST	41,364.
TOTAL TO FORM 990, PART IV-A	749,165.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 14

DESCRIPTION	AMOUNT
SPECIAL EVENTS DIRECT COST NETTED AGAINST GROSS REVENUE	41,364.
INVENTORY COST FOR THRIFT SHOP NETTED AGAINST GROSS REVENUE	707,801.
TOTAL TO FORM 990, PART IV-B	749,165.

Addendum for Form 990

SPENCE-CHAPIN SERVICES TO FAMILIES AND CHILDREN
410 East 92nd Street, New York, New York 10128

Agency Background
In the New York area and around the world, thousands of infants and young children are in need of permanent homes in which to grow and thrive. Spence-Chapin's mission is to build and strengthen families for every child that comes to our attention.

The agency evolved from a 1943 merger of two independent nurseries: the Spence Alumnae Society and the Alice Chapin Adoption Nursery. These two agencies, founded separately in the early 1900's, grew out of a common concern for abandoned babies and a belief in the advantages of early home care for infants.

Today, Spence-Chapin continues this tradition of helping children join loving adoptive families in which they can physically, emotionally, and psychologically blossom. The agency achieves this by means of a comprehensive range of services and programs designed to meet the needs of infants and children, birth parents, adult adoptees, and adoptive families. Since the inception of the nurseries 98 years ago, Spence-Chapin has helped over17,000 children find stable, nurturing homes.

Program Accomplishments in Fiscal Year 2007
Spence-Chapin finds adoptive homes for children in need. In the fiscal year 2007, we enabled 179 children to join permanent families. Fifty-eight percent of these children were orphans from abroad. The remaining children were born here in the United States. Of the domestic children we placed in adoptive homes, 43% had serious medical problems such as Down syndrome, sickle cell anemia, spina bifida, and cerebral palsy.

In the agency's clinic, under the supervision of a physician, Spence-Chapin provided healthcare for 98 babies awaiting placement or return to their birth parents. Babies in agency care stay in private, short-term boarding homes and Spence-Chapin absorbs all costs for medical expenses, clothing, transportation and other daily needs.

The agency provides counseling and related services for everyone involved with adoption. Pregnant women considering placing a child they cannot parent themselves receive medical care and follow-up services. Under a contract with the State of New York, the agency provides specialized training and counseling to help prevent unnecessary foster care placements. Over 170 women consulted Spence-Chapin last year.

Spence-Chapin runs educational programs through the Adoption Resource Center and its child development unit, SPARK. In fiscal year 2007, over 580 people attended workshops and seminars for the general public, consulted with staff on child development issues as they relate to adoption and pre-adoptive circumstances. Individual counseling sessions are also provided for adoptive parents and their children as well as adult adoptees and birth parents. Last year 1270 people contacted post adoption staff for these services.

Fixed Assets and Depreciation Schedule FY2007

DESCRIPTION	COST 07/01/06	ADDITIONS	ACTUAL COST 06/30/07	ACCUM DEPREC 07/01/06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	DEPREC 07/01/06 06/30/07	CUMULA'VE DEPREC 06/30/07
LAND AND BUILDING #4.																		
Accum Deprec written off @ sale of bldg		(581,479 75)	(581,479 75)															
TOTALS (ACCOUNTS # 711/911)	581,479 75	(581,479 75)	-	461,773 57	928 50	928 50	928 50	928 50	928 50	928 50	928 50	928 50	928 50	928 50	928 50	928 50	11,142 00	(472,915 60) 0 00
LAND & BUILDING # 6																		
Accum Deprec written off @ sale of bldg		(393,165 00)	(393,165 00)															
TOTALS (ACCOUNT # 712/912)	393,165 00	(393,165 00)	-	330,327 32	591 58	591 58	591 58	591 58	591 58	591 58	591 58	591 58	389 10	39 97	39 97	39 97	5,241 68	(335,568 98) 0 00
Land & Building 410 E 92nd																		
TOTALS (ACCOUNT # 713-70/ 913-70)	10,577 714 83	-	10 577,714 83	3 210 04	-	-	-	-	-	-	-	-	-	-	-	-	-	3,210 04
ADDITIONS & IMPROVEMENTS																		
Accum Deprec written off @ sale of bldg		(426,277 66)	(426,277 66)															
TOTALS (ACCOUNT # 714/924)	424,277 66	(424,277 66)	-	343,651 49	2,106 81	2,106 81	2,106 81	2,088 07	2,078 51	2,060 16	2 060 16	2,060 16	2,060 16	2,060 16	2,060 16	2,060 16	24,908 15	(368,559 64) 0 00
THRIFT SHOPS																		
LEASEHOLD IMPROVEMENTS T/S # 1.																		
TOTALS (ACCOUNT # 715/915)	267,678 21	0 00	267,678 21	220,700 76	2,462 25	2,462 25	2,462 25	2,462 24	2,448 55	2,443 70	2,394 60	2,366 03	2,366 03	2,366 03	2,366 03	2,366 03	28,966 00	249,666 76
THRIFT SHOPS																		
LEASEHOLD IMPROV T/S ANNEX																		
TOTAL (ACCOUNT # 717/917)	5 820 00	-	5,820 00	5,490 67	8 68	8 68	8 68	8 68	8 67	8 67	8 67	8 67	8 67	8 67	8 67	8 67	104 04	5,594 71
ADDITIONS & IMPROVEMENTS																		
Accum Deprec written off @ sale of bldg			(79,115 95)															
TOTAL (ACCOUNT # 718/918)	74,097 48	5,018 47	-	18,988 99	1,234 97	1,234 97	1,234 97	1,234 96	1,234 96	1,234 96	1,234 96	1,234 96	1,234 96	1,234 96	1,234 96	1,234 96	14,819 53	(33,808 51) 0 00
ADD. & IMPROV. 410 E. 92nd																		
TOTAL (ACCOUNT # 718-70/918-70)	23,925 00	2,980,655 49	3,004,580 49	650 00	-	-	-	-	-	-	-	-	-	-	-	-	-	650 00
FURNITURE & EQUIPMENT 4 & 6																		
Most deprec written off @ sale, some equipment moved to new premises			-															
TOTAL (ACCOUNT # 811/921)	268,599 34	(268,599 34)	-	159,937 79	1,856 45	1,856 45	1,856 45	1,856 45	1,856 45	1,856 45	1,856 45	1,889 78	1,889 78	1,889 78	1,889 78	1,889 75	22,443 99	(149 400 85) 32,980 94
FURNITURE & EQUIPMENT 410 E 92nd St.		112,763 97	112,763 97															
TOTAL (ACCOUNT # 811-70/921-70	-	485,059 21	597,823 18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FURNITURE & EQUIP L.I.																		
TOTAL (ACCOUNT # 812/922)	12,074 38	2,622 49	14 696 87	9,542 52	124 27	124 27	124 27	124 27	124 27	124 27	124 27	124 27	124 27	124 27	124 27	124 25	1,491 26	11 033 78
THRIFT SHOPS																		
FURNITURE & EQUIP THRIFT SHOP																		
TOTAL (ACCOUNT # 813/914)	13 073 97	-	13,073 97	11,546 48	83 36	83 36	83 36	83 36	83 38	83 38	83 37	74 76	74 76	74 75	21 63	18 72	848 21	12,394 70
FURNITURE AND EQUIPMENT NJ OFFICE																		
TOTAL (ACCOUNT # 815/923)	3 104 00	774 00	3,878 00	1,358 85	64 55	64 60	64 63	64 63	64 63	64 63	64 63	64 63	64 63	64 63	64 63	64 63	775 49	2,134 34
COMPUTER EQUIPMENT																		
TOTAL (ACCOUNT # 816/926)	387,383 29	(196,254 06)	191,129 23	301,363 48	2,878 28	2,965 40	3,033 24	3,033 24	3,033 24	3,033 24	3,033 24	3,033 24	3,033 24	3 033 24	3,042 60	3,042 58	36,194 82	107,778 12
AUTOMOBILE DEPRECIATION																		
TOTAL (ACCOUNT 817/928)	24 615 00	545 00	17,310 00	22,875 09	223 50	223 50	223 50	223 50	223 50	223 50	223 50	223 50	223 50	223 50	223 50	223 50	2 682 00	11,430 00
SUBTOTAL	12,770,435 73	1,610,898 85	14,407,132 60	1,653,679 14	10,008 91	10,096 08	10,163 96	10,145 21	10,135 65	10,117 30	10,117 30	10,150 62	9,948.15	9,599.02	9,608 38	9,608 31	119,698 90	169,217 23
SUBTOTAL (T/SHOPS 1 & 2)	286,572 18	-	286,572 18	237,737 91	2,554 29	2,554 29	2,554 29	2,554 28	2,540 61	2,535 75	2,486 64	2,449 45	2,449 45	2,449 44	2,396 33	2,393 41	29,918 25	267,656 17
GRAND TOTAL	13,057,007 91	1,610,898 85	14,693,704 78	1,891,417 05	12,563 21	12,650 38	12,718 25	12,699 49	12,676 25	12,653 04	12,603 93	12,600 08	12,397 60	12,048 46	12,004 71	12,001 72	149,617 16	436,873 40

12/4/2007

Form **8868**
(Rev April 2007)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit *www.irs gov/efile* and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization	Employer identification number
	SPENCE-CHAPIN SERVICES TO FAMILIES AND CHILDREN	13-1834590
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions 410 EAST 92ND STREET	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. NEW YORK, NY 10128-6804	

Check type of return to be filed (file a separate application for each return)

[X] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ EMILY SACHS
  Telephone No ▶ 212-369-0300 FAX No ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c) corporation required to file Form 990-T) extension of time until FEBRUARY 15, 2008, to file the exempt organization return for the organization named above The extension is for the organization's return for:
▶ [ ] calendar year ____ or
▶ [X] tax year beginning JUL 1, 2006, and ending JUN 30, 2007

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	$
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8868** (Rev. 4-2007)

623831
05-01-07