

**Return of Organization Exempt from Income Tax**

**2001**

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.

**A For the 2001 calendar year, or tax year beginning** , 2001, and ending , 20

**B** Check if applicable:

Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

Please use IRS label or print or type. See specific instructions.

**Half the Sky Foundation**  
 541 Vistamont Avenue  
 Berkeley, CA 94708

**D Employer identification number**  
 95-4714047

**E Telephone number**  
 (510) 525-2077

**F Accounting method:**  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**COPY**

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  No

**H (b)** If "yes," enter number of affiliates \_\_\_\_\_

**H (c)** Are all affiliates included?  Yes  No  
 (If "no," attach a list. See instructions.)

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

**I** Enter 4-digit group GEN \_\_\_\_\_

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

**G Web site:** ▶ halfthesky.org

**J Organization type** (check only one)  501(c) 3 (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**L** Gross receipts: Add lines 6h, 8h, 9b, and 10b to line 12. ▶ 705,576.

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see instructions)

REVENUE	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support:	1a	655,842.	
	b Indirect public support:	1b		
	c Government contributions (grants):	1c		
	d Total (add lines 1a through 1c) (cash \$ 655,842. noncash \$ _____)	1d	655,842.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93):	2		
	3 Membership dues and assessments:	3		
	4 Interest on savings and temporary cash investments:	4	4,853.	
	5 Dividends and interest from securities:	5		
	6a 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 _____):	7		
	(A) Securities		(B) Other	
	8a Gross amount from sales of assets other than inventory:	8a		
	b Less: cost or other basis and sales expenses:	8b		
	c Gain or (loss) (attach schedule):	8c		
d Net gain or (loss) (combine line 8c, columns (A) and (B)):	8d			
9 Special events and activities (attach schedule):				
a Gross revenue (not including \$ _____ of contributions reported on line 1a):	9a			
b Less: direct expenses other than fundraising expenses:	9b			
c Net income or (loss) from special events (subtract line 9b from line 9a):	9c			
10a Gross sales of inventory, less returns and allowances:	10a	44,791.		
b Less: cost of goods sold:	10b	26,696.		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a):	10c	18,095.	Statement 1	
11 Other revenue (from Part VII, line 103):	11	90.		
12 <b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11):	12	678,880.		
EXPENSES	13 Program services (from line 44, column (B)):	13	212,419.	
	14 Management and general (from line 44, column (C)):	14	20,324.	
	15 Fundraising (from line 44, column (D)):	15	36,623.	
	16 Payments to affiliates (attach schedule):	16		
	17 <b>Total expenses</b> (add lines 16 and 44, column (A)):	17	269,366.	
18 Excess or (deficit) for the year (subtract line 17 from line 12):	18	409,514.		
19 Net assets or fund balances at beginning of year (from line 73, column (A)):	19	116,300.		
20 Other changes in net assets or fund balances (attach explanation):	20	2,432.	See Statement 2	
21 <b>Net assets or fund balances at end of year</b> (combine lines 18, 19, and 20):	21	528,246.		

**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 (all sch) (cash \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals (all sch)	23			
24 Benefits paid to or for members (all sch)	24			
25 Compensation of officers, directors, etc	25	6,000.	6,000.	
26 Other salaries and wages	26			
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33	11,431.	3,703.	7,728.
34 Telephone	34			
35 Postage and shipping	35	3,950.	628.	1,912.
36 Occupancy	36			1,410.
37 Equipment rental and maintenance	37			
38 Printing and publications	38	2,406.		2,406.
39 Travel	39	55,480.	55,480.	
40 Conferences, conventions, and meetings	40	3,295.	1,333.	1,962.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	512.	512.	
43 Other expenses not covered above (itemize):				
a See Statement 3	43a	186,292.	144,763.	8,722.
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15.	44	269,366.	212,419.	70,324.

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?  See Statement 4

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 & section 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 Built and fully-equipped preschools and an infant nurture center in state run orphanages in China.	(Grants and allocations \$ _____)	61,032.
b Paid assessment site visits to 18 welfare institutions in 5 provinces in order to select future sites for Half the Sky Centers.	(Grants and allocations \$ _____)	5,200.
c Doubled the size of Hefei, Anhui programs and added an Infant Nurture Program in Changzhou, Jiangsu and created a new Half the Sky Center in Chuzhou, Anhui.	(Grants and allocations \$ _____)	90,175.
d Hosted a National Workshop at Hefei, Anhui for orphanage directors and officials from China's Ministry of Civil Affairs.	(Grants and allocations \$ _____)	2,100.
e Other program services. See Statement 5.	(Grants and allocations \$ _____)	53,400.
f Total of Program Service Expenses (should equal line 44, column (B), program services)		211,907.

**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	116,300.	45	356,711.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable		47a	
	b Less: allowance for doubtful accounts		47b	47c
	48a Pledges receivable		48a	
	b Less: allowance for doubtful accounts		48b	48c
	49 Grants receivable		49	133,775.
	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	32,778.
	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	7,799.	57a		
b Less: accumulated depreciation (attach schedule)	Statement 6 685.	57b	57c	
58 Other assets (describe ▶)		58		
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	116,300.	59	530,378.	
LIABILITIES	60 Accounts payable and accrued expenses		60	1,331.
	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 ▶)		65	
66 <b>Total liabilities</b> (add lines 60 through 65)	0.	66	1,331.	
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	116,300.	67	383,146.
	68 Temporarily restricted		68	145,100.
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	116,300.	73	528,246.	
74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	116,300.	74	529,577.	

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 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 investments			14	4,853.	
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			12	18,095.	
103 Other revenue: a _____					
b Newsletter					90.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				22,948.	90.
105 Total (add line 104, columns (B), (D), and (E))					23,038.

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).
103a	Newsletter income received as part of the exempt function of the organization.

**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
N/A	%			
	%			
	%			
	%			

**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 RR70 and Form 4720 (see instructions).

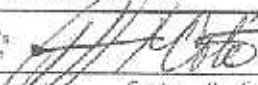
**Please Sign Here**

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.

Signature of Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Type or Print Name and Title: \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's Signature: 

Date: 5-16-02

Check if self-employed:

Preparer's SSN or PTIN (see General instruction 38): 001-38-0784

Firm's name (or yours if self-employed) and address, and ZIP + 4: Cole & Company, APC, CPAs  
436 14th Street, Suite 1123  
Oakland, CA 94612

EIN: 94-3216001

Phone no: (510) 893-9384

Half the Sky Foundation

95-4714047

Statement 5  
Form 990, Part III, Line c  
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
Commenced teacher training for a new Half the Sky Center at Managed and operated Little Sisters Preschools and Baby Sist		4,400. 49,000.
	<u>\$ 0.</u>	<u>\$ 53,400.</u>

Statement 6  
Form 990, Part IV, Line 57  
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 4,746.	\$ 92.	\$ 4,654.
Machinery and Equipment	2,079.	512.	1,567.
Miscellaneous	974.	81.	893.
Total	<u>\$ 7,799.</u>	<u>\$ 685.</u>	<u>\$ 7,114.</u>

Statement 7  
Form 990, Part IV-A, Line b(4)  
Other Amounts

Cost of Goods Sold - Netted to Sales.....	\$ 26,696.
Total	<u>\$ 26,696.</u>

Statement 8  
Form 990, Part IV-B, Line b(4)  
Other Amounts

Cost of Goods Sold - Netted to Sales.....	\$ 26,696.
Total	<u>\$ 26,696.</u>

Statement 9  
Form 990, Part V  
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/Other
Jenny Bowen 541 Vistamont Ave. Berkeley, CA 94708	Executive Direc 40 Hrs./Week	\$ 0.	\$ 0.	\$ 5,174.

Half the Sky Foundation

95-4714047

Statement 9 (continued)  
Form 990, Part V  
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to FBP & DC	Expense Account/ Other
Richard Bowen 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	\$ 0.	\$ 0.	\$ 0.
Carolyn Pope Edwards, EDD 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
David Howard 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	2,159.
Vicki McClay 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Dana Johnson, MD PHD 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Kay Johnson, PHD 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Karin Evans 541 Vistamont Ave. Berkeley, CA 94708	Director None	0.	0.	0.
Tracy Samuels 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Joe Spano 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Joan Spano 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	1,383.
Patricia Ng, MD 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.
Jim Gradoville 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	0.	0.	0.

Half the Sky Foundation

95-4714047

Statement 9 (continued)  
Form 990, Part V  
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Zhang Zhirong 541 Vistamont Ave. Berkeley, CA 94708	Director As Needed	\$ 6,000.	\$ 0.	\$ 7,784.
Ellen Sloan 541 Vistamont Ave. Berkeley, CA 94708	Director None	0.	0.	0.
Total		\$ 6,000.	\$ 0.	\$ 16,500.

Statement 10  
Schedule A, Part IV-A, Line 22  
Other Income

Description	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
Miscellaneous	\$ 30.	\$ 0.	\$ 0.	\$ 0.	\$ 30.
Total	\$ 30.	\$ 0.	\$ 0.	\$ 0.	\$ 30.



**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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.).....	227,445.	26,966.			254,411.
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.....	30,862.				30,862.
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.....	2,461.	69.			2,530.
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. See Stmt. 10.....	30.				30.
23 Total of lines 15 through 22.....	260,798.	27,035.			287,833.
24 Line 23 minus line 17.....	229,936.	27,035.			256,971.
25 Enter 1% of line 23.....	2,608.	270.			
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.....▶					26a 5,139.
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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.....▶					26b 26,797.
c Total support for Section 509(a)(1) test: Enter line 24, column (e).....▶					26c 256,971.
d Add: Amounts from column (e) for lines: 18 2,530. 19 30. 22 26,797.▶					26d 29,357.
e Public support (line 26c minus line 26d total).....▶					26e 227,614.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).....▶					26f 88.58 %
27 Organizations described on line 12: N/A					
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: (2000) _____ (1999) _____ (1998) _____ (1997) _____					
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: (2000) _____ (1999) _____ (1998) _____ (1997) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____▶					27c _____
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 1997 through 2000, 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.					