

Return of Organization Exempt From Income Tax

2009

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 2009 calendar year, or tax year beginning , 2009, and ending , 20

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization HALF THE SKY FOUNDATION Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite 715 HEARST AVENUE 200 City or town, state or country, and ZIP + 4 BERKELEY, CA 94710	D Employer identification number 95-4714047
	F Name and address of principal officer: JENNY BOWEN 715 HEARST STREET BERKELEY, CA 94710	E Telephone number (510) 525-3377
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	J Website: WWW.HALFTHESKY.ORG	
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	L Year of formation: 1998	M State of legal domicile: CA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5 Total number of employees (Part V, line 2a)	5	14
	6 Total number of volunteers (estimate if necessary)	6	1
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C) b Net unrelated business taxable income from Form 990-T, line 34	7a 7b	0. 0.
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	6,245,683.	6,202,955.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	86,229.	-26,636.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	28,962.	24,822.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,360,874.	6,201,141.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	942,776.	1,292,502.
	b Total fundraising expenses, Part IX, column (D), line 25	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	539,348.	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	5,085,762.	5,085,245.
19 Revenue less expenses. Subtract line 18 from line 12	6,028,538.	6,377,747.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	332,336.	-176,606.
	21 Total liabilities (Part X, line 26)	Beginning of Year	End of Year
	22 Net assets or fund balances. Subtract line 21 from line 20.	4,387,584.	4,396,798.
		135,678.	129,335.
	4,251,906.	4,267,463.	

Part II Signature Block

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.

Sign Here Signature of officer: *Jenny Bowen* Date: 8/13/10
 Type or print name and title: JENNY BOWEN CEO

Preparer's signature: *Bob Klunfest* Date: 8/12/10
 Firm's name (or yours if self-employed), address, and ZIP + 4: GRANT THORNTON LLP ONE CALIFORNIA STREET, SUITE 2300 SAN FRANCISCO, CA 94111
 Preparer's identifying number (see instructions): P0084768
 EIN: 36-6055558
 Phone no.: 415-986-3900

May the IRS discuss this return with the preparer shown above? (See instructions.) Yes No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.*

Application for Extension of Time To File an Exempt Organization Return

► **File a separate application for each return.**

- 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).

A corporation 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 a corporation 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 HALF THE SKY FOUNDATION	Employer identification number 95-4714047
	Number, street, and room or suite no. If a P.O. box, see instructions. 715 HEARST AVENUE, SUITE 200	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BERKELEY, CA 94710	

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

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

• The books are in the care of ► JENNY BOWEN

Telephone No. ► 510 525-3377 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 corporation required to file Form 990-T) extension of time until 08/15, 2010 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 2009 or
- tax year beginning _____, _____, and ending _____, _____

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	\$

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.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
SEE SCHEDULE O.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 5,463,763. including grants of \$ 0.) (Revenue \$ -446.)
SEE ATTACHED STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 5,463,763.

Part IV Checklist of Required Schedules

Table with 3 main columns: Question, Yes, No. Rows 1-20 contain various questions about organizational activities and reporting requirements. Row 12A includes a sub-table with Yes/No columns.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Question text, Yes, No. Rows include questions 21 through 38 regarding grants, compensation, tax-exempt bonds, and business transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 1a-1c, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, and 12a-12b.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body; 1b Enter the number of voting members that are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a material diversion of the organization's assets?; 6 Does the organization have members or stockholders?; 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?; 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body?; b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates?; 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?; 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?; 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Does the organization have a written conflict of interest policy? If "No," go to line 13; 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done; 13 Does the organization have a written whistleblower policy?; 14 Does the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official; b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ATTACHMENT 5
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
[X] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: JENNY BOWEN 715 HEARST AVENUE, SUITE 200 BERKELEY, CA 94710 (510) 525-3377

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key emp./yee	Highest compensated emp./yee	Former			
LOU DEMATTEI CHAIRMAN PART YEAR	5.00	X		X			0.	0.	0.	
DANA JOHNSON DIRECTOR	5.00	X					0.	0.	0.	
NANCY SPELMAN SECRETARY	5.00	X		X			0.	0.	0.	
ELLEN ELIASOPH DIRECTOR	5.00	X					0.	0.	0.	
PETER LIGHTE DIRECTOR	5.00	X					0.	0.	0.	
MELISSA MA DIRECTOR	5.00	X					0.	0.	0.	
GAETANO RUSSO CHAIRMAN PART YEAR	5.00	X		X			0.	0.	0.	
KATHERINE SHEN DIRECTOR CY PT	5.00	X					0.	0.	0.	
MATT DALIO DIRECTOR	5.00	X					0.	0.	0.	
JENNY BOWEN PRESIDENT, EXECUTIVE DIRECTOR	40.00			X			93,750.	167,450.	22,319.	
HELEN TANG CHIEF FINANCIAL OFFICER	40.00			X			88,138.	0.	13,244.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total								181,888	167,450	35,563

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶ 0

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

95-4714047

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a	57,946.				
	b Membership dues	1b					
	c Fundraising events	1c	103,050.				
	d Related organizations	1d					
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above . .	1f	6,041,959.				
	g Noncash contributions included in lines 1a-1f: \$		266,277.				
	h Total. Add lines 1a-1f			6,202,955.			
Program Service Revenue	Business Code						
	2a _____						
	b _____						
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f			0.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			27,555.			27,555.
	4 Income from investment of tax-exempt bond proceeds . . .			0.			
	5 Royalties			0.			
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)				0.		
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory			330,940.			
	b Less: cost or other basis and sales expenses			385,131.			
	c Gain or (loss)			-54,191.			
	d Net gain or (loss)				-54,191.		-54,191.
	8a Gross income from fundraising events (not including \$ <u>103,050.</u> of contributions reported on line 1c). See Part IV, line 18		ATCH 6		2,564.		
	b Less: direct expenses				3,010.		
c Net income or (loss) from fundraising events		ATCH 7.		-446.	-466.		
9a Gross income from gaming activities. See Part IV, line 19							
b Less: direct expenses							
c Net income or (loss) from gaming activities				0.			
10a Gross sales of inventory, less returns and allowances				33,005.			
b Less: cost of goods sold				10,357.			
c Net income or (loss) from sales of inventory		ATCH 8.		22,648.		22,648.	
Miscellaneous Revenue			Business Code				
11a OTHER INCOME		900099		2,620.		2,620.	
b _____							
c _____							
d All other revenue							
e Total. Add lines 11a-11d				2,620.			
12 Total Revenue. See instructions				6,201,141.	-466.	0.	-1,368.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	217,452.	104,462.	107,186.	5,804.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	0.			
7 Other salaries and wages	877,371.	550,568.	65,000.	261,803.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	12,922.	9,562.		3,360.
9 Other employee benefits	125,087.	91,413.	7,696.	25,978.
10 Payroll taxes	59,670.	36,689.	4,956.	18,025.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	1,478.		1,478.	
c Accounting	92,825.	2,221.	90,604.	
d Lobbying	0.			
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	6,924.		6,924.	
g Other	173,903.	80,000.	3,396.	90,507.
12 Advertising and promotion	0.			
13 Office expenses	65,620.	17,231.	24,562.	23,827.
14 Information technology	120,844.	117,332.	3,512.	
15 Royalties	0.			
16 Occupancy	93,129.	74,818.	18,311.	
17 Travel	232,137.	188,193.	14,374.	29,570.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	9,936.	9,936.		
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	11,663.		11,663.	
23 Insurance	14,974.		14,974.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a NANNIES, TEACHERS, SUPERVISORS	2,730,970.	2,730,970.		
b SURGERY AND NURTURING CARE	482,610.	482,610.		
c DONATED GOODS	211,809.	211,809.		
d EARTHQUAKE RELIEF	116,856.	116,856.		
e CENTER CONSTRUCTION/EQUIP	90,612.	90,612.		
f All other expenses	628,955.	548,481.		80,474.
25 Total functional expenses. Add lines 1 through 24f	6,377,747.	5,463,763.	374,636.	539,348.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	136,466.	1	112,032.
	2 Savings and temporary cash investments	1,011,643.	2	2,142,927.
	3 Pledges and grants receivable, net	370,625.	3	137,544.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	89,545.	8	82,544.
	9 Prepaid expenses and deferred charges	32,675.	9	56,876.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 149,819.		
	b Less: accumulated depreciation	10b 74,437.	29,767.	10c 75,382.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	718,042.	12	939,910.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,998,821.	15	549,583.
16 Total assets. Add lines 1 through 15 (must equal line 34)	4,387,584.	16	4,396,798.	
Liabilities	17 Accounts payable and accrued expenses	135,678.	17	129,335.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	135,678.	26	129,335.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,375,404.	27	670,018.
	28 Temporarily restricted net assets	2,278,489.	28	2,978,738.
	29 Permanently restricted net assets	598,013.	29	618,707.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	4,251,906.	33	4,267,463.	
34 Total liabilities and net assets/fund balances	4,387,584.	34	4,396,798.	

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization
HALF THE SKY FOUNDATION

Employer identification number
95-4714047

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 - 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
 - 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 - 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
 - 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
 - 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
 - 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
 - 8 A community trust described in **section 170(b)(1)(A)(vii)**. (Complete Part II.)
 - 9 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 exempt 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)**. (Complete Part III.)
 - 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
 - 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? Yes No
 - (ii) A family member of a person described in (i) above? 11g(ii) Yes No
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii) Yes No
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	3,400,267.	4,702,075.	3,101,226.	6,245,683.	6,202,955.	23,652,206.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	3,400,267.	4,702,075.	3,101,226.	6,245,683.	6,202,955.	23,652,206.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4						23,652,206.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	3,400,267.	4,702,075.	3,101,226.	6,245,683.	6,202,955.	23,652,206.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	13,187.	32,950.	89,979.	83,523.	27,555.	247,194.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) - ATCH 1	0.	0.	0.	0.	2,620.	2,620.
11 Total support. Add lines 7 through 10						23,902,020.
12 Gross receipts from related activities, etc. (see instructions)					12	198,001.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	98.95%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	98.86%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
7b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
7c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.						
10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
10c Add lines 10a and 10b.						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

- 19a **33 1/3% support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►
- 19b **33 1/3% support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2005	2006	2007	2008	2009	TOTAL
OTHER INCOME	0.	0.	0.	0.	2,620.	2,620.
TOTALS	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>2,620.</u>	<u>2,620.</u>

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

2009

Name of the organization
 HALF THE SKY FOUNDATION

Employer identification number
 95-4714047

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. . . . ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **HALF THE SKY FOUNDATION**

Employer identification number
95-4714047

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	_____	\$ 2,022,700.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	_____	\$ 505,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	_____	\$ 400,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	_____	\$ 150,047.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	_____	\$ 143,600.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	_____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No. 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

b If "Yes," explain the arrangement in Part XIV and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21? b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and expense items.

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment 33.3400%
b Permanent endowment 66.6600%
c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
(ii) related organizations

Table with 2 columns: Yes, No. Rows: 3a(i), 3a(ii), 3b

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a-1e Land, Buildings, Leasehold improvements, Equipment, Other. Total row at bottom.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation; Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other EQUITY SECURITIES-MUTUAL FUNDS	595,267.	FMV
CERTIFICATES OF DEPOSIT	0.	FMV
UNITED STATES BONDS	0.	FMV
FIXED INCOME MUTUAL FUNDS	344,643.	FMV
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	939,910.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation; Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
OTHER RECEIVABLES	7,527.
DEPOSITS	26,575.
UNDEPOSITED FUNDS	248,112.
INTERCOMPANY RECEIVABLE	267,369.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	549,583.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

Table with 10 rows for reconciliation of net assets. Columns include line numbers and descriptions such as 'Total revenue', 'Total expenses', and 'Excess or (deficit) for the year'.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Table with 5 main rows for revenue reconciliation, including sub-rows (a-d) for adjustments. Columns include line numbers and descriptions like 'Total revenue, gains, and other support'.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Table with 5 main rows for expense reconciliation, including sub-rows (a-e) for adjustments. Columns include line numbers and descriptions like 'Total expenses and losses'.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information (continued)

ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

THE ENDOWMENT FUND IS EARMARKED AS A SAFETY NET TO ENSURE FUNDING OF LONG TERM COMMITMENTS THAT HALF THE SKY ("HTS") HAS MADE IN THE EVENT THAT HTS DOES CONTINUE IN ITS OWN RIGHT OR CANNOT MEET ITS LONG TERM OBLIGATIONS. THE CURRENT ENDOWMENT FUND POLICY IS TO INCUBATE THE ENDOWMENT FUND UNTIL IT REACHES AT LEAST \$1,000,000 BEFORE DISTRIBUTIONS. IN ANY GIVEN YEAR THE DISTRIBUTIONS CANNOT EXCEED THE TOTAL FUND RETURN FOR THAT YEAR.

FIN48 DISCLOSURE

SCHEDULE D, PART X, LINE 2

HALF THE SKY ADOPTED FIN 48 ON JANUARY 1, 2009 AND APPLIED THIS PRONOUNCEMENT TO ALL TAX POSITIONS FOR WHICH THE STATUTE OF LIMITATIONS REMAINED OPEN AND DETERMINED THERE WERE NO MATERIAL UNRECOGNIZED TAX BENEFITS AS OF THAT DATE. IN ADDITION, THERE HAVE BEEN NO MATERIAL CHANGES IN UNRECOGNIZED BENEFITS SINCE JANUARY 1, 2009. AS A RESULT, THE ADOPTION OF THIS NEW PRONOUNCEMENT DID NOT HAVE A MATERIAL EFFECT ON HALF THE SKY'S CONSOLIDATED FINANCIAL STATEMENTS. THERE HAVE BEEN NO RELATED TAX PENALTIES OR INTEREST, WHICH WOULD BE CLASSIFIED AS TAX EXPENSE IN THE CONSOLIDATED STATEMENT OF ACTIVITIES.

THUS, BASED ON THE FOREGOING, THERE IS NO LIABILITY FOR FIN 48 REFLECTED IN THE FINANCIAL STATEMENTS OF HALF THE SKY.

**Schedule F
(Form 990)**

Statement of Activities Outside the United States

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b line 15, or line 16.**

▶ **Attach to Form 990. ▶ See separate instructions.**

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**

2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
EAST ASIA AND THE PACIFIC	1	38	PROGRAM SERVICES	OPERATES PROGRAMS IN STATE-RUN ORPHANAGES	5,070,917.
Totals ▶	1	38			5,070,917.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule F (Form 990) 2009

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000

Use Schedule F-1 (Form 990) if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

SCHEDULE G
 (Form 990 or 990-EZ)

Department of the Treasury
 Internal Revenue Service

**Supplemental Information Regarding
 Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
 ▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

2009

**Open To Public
 Inspection**

Name of the organization
 HALF THE SKY FOUNDATION

Employer identification number
 95-4714047

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total				▶		

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

	(a) Event #1		(b) Event #2	(c) Other Events	(d) Total events (add col. (a) through col. (c))	
	GALA	DINNER	SF	EVENT		
	(event type)		(event type)		(total number)	
Revenue	1	Gross receipts	25,001.	80,613.	105,614.	
	2	Less: Charitable contributions	22,437.	80,613.	103,050.	
	3	Gross income (line 1 minus line 2)	2,564.		2,564.	
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	1,301.	1,709.	3,010.	
	10	Direct expense summary. Add lines 4 through 9 in column (d)				(3,010.)
	11	Net income summary. Combine line 3, column (d), and line 10				-446.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo		(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
	Yes	No	Yes	No	
Revenue	1		Gross revenue		
Direct Expenses	2		Cash prizes		
	3		Noncash prizes		
	4		Rent/facility costs		
	5		Other direct expenses		
	6		Volunteer labor		
7		Direct expense summary. Add lines 2 through 5 in column (d)			()
8		Net gaming income summary. Combine line 1, column d, and line 7			

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities:		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," explain:		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," explain:		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility **13a** %
- b An outside facility **13b** %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ -----

Address ▶ -----

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.

c If "Yes," enter name and address of the third party:

Name ▶ -----

Address ▶ -----

16 Gaming manager information:

Name ▶ -----

Gaming manager compensation ▶ \$ -----

Description of services provided ▶ -----

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**

- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

	Yes	No
13a		
13b		
14		
15a		
15b		
15c		
16		
17a		
17b		

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input checked="" type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		X
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
JENNY BOWEN	(i) 93,750. (ii) 131,250.	(ii) 0.	(iii) 36,200.	0.	22,319.	116,069.	0.
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----
	(i) ----- (ii) -----	(ii) -----	(iii) -----	-----	-----	-----	-----

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

HOUSING ALLOWANCE

SCHEDULE J, PART I, LINE 1A

JENNY BOWEN, EXECUTIVE DIRECTOR, RECEIVED A HOUSING ALLOWANCE WHILE ON ASSIGNMENT IN CHINA. THIS ALLOWANCE WAS APPROVED BY THE BOARD AND IS PAID BY HTS ASIA, A RELATED TAX-EXEMPT ORGANIZATION. THE AMOUNT IS INCLUDED IN COMPENSATION REPORTED ON FORM 990, PART VII, SECTION A.

SCHEDULE J, PART I, LINE 1B

HALF THE SKY DOES NOT HAVE A FORMAL WRITTEN POLICY FOR HOUSING ALLOWANCES AS FOREIGN ASSIGNMENTS ARE RARE AND BASED ON BUSINESS NEEDS. THE ALLOWANCE WAS APPROVED BY THE BOARD IN ADVANCE AND PROVIDED TO THE EXECUTIVE DIRECTOR ONLY WHEN SHE WAS BASED IN ASIA. AFTER THE EXECUTIVE DIRECTOR MOVED BACK TO THE UNITED STATES IN AUGUST 2009, SHE HAS NOT RECEIVED A HOUSING ALLOWANCE SINCE THEN.

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**

▶ **Attach to Form 990.**

OMB No. 1545-0047

2009

**Open To Public
Inspection**

Name of the organization
HALF THE SKY FOUNDATION

Employer identification number
95-4714047

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art-Works of art	X	2	1,141.	COST/SELLING PRICE
2 Art-Historical treasures				
3 Art-Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities-Publicly traded				
10 Securities-Closely held stock				
11 Securities-Partnership, LLC, or trust interests				
12 Securities-Miscellaneous				
13 Qualified conservation contribution-Historic structures				
14 Qualified conservation contribution-Other				
15 Real estate-Residential				
16 Real estate-Commercial				
17 Real estate-Other				
18 Collectibles				
19 Food inventory	X	108	9,408.	COST/SELLING PRICE
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (<u>ATCH 2</u>)		310.	255,728.	
26 Other ▶ (_____)				
27 Other ▶ (_____)				
28 Other ▶ (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2009

JSA

9E1298 2.000

00037X 700W

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

ATTACHMENT 2

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

DESCRIPTION	(A) CHECK	(B) NUMBER OF CONTRIBUTIONS	(C) REVENUES REPORTED	(D) METHOD OF DETERMINING
JEWELRY	X	1	550.	COST/SELLING PRICE
AIRFARE	X	1	4,225.	COST/SELLING PRICE
SOFTWARE	X	3	36,210.	COST/SELLING PRICE
COMPUTER, PRINTER	X	305	214,743.	COST/SELLING PRICE
TOTALS		<u>310.</u>	<u>255,728.</u>	

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ATTACHMENT 3

ORGANIZATION'S MISSION

FORM 990, PART I, LINE 1 AND PART III, LINE 1

HALF THE SKY WAS CREATED IN ORDER TO ENRICH THE LIVES AND ENHANCE THE PROSPECTS FOR ORPHANED CHILDREN IN CHINA. WE ESTABLISH AND OPERATE INFANT NURTURE AND PRESCHOOL PROGRAMS, PROVIDE PERSONALIZED LEARNING FOR OLDER CHILDREN AND ESTABLISH LOVING PERMANENT FAMILY CARE AND GUIDANCE FOR CHILDREN WITH DISABILITIES. IT IS OUR GOAL TO ENSURE THAT EVERY ORPHANED CHILD HAS A CARING ADULT IN HER LIFE AND A CHANCE AT A BRIGHT FUTURE.

SIGNIFICANT NEW PROGRAMS

FORM 990, PART III, LINE 2

AS DESCRIBED IN THE ATTACHED STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS, HALF THE SKY EXPANDED ITS PROGRAM SERVICES IN 2009 BY OPENING THE HTS CHINA CARE HOME IN BEIJING.

GOVERNANCE, MANAGEMENT, AND DISCLOSURE

PART VI

QUESTION 11A: AN EXTERNAL TAX FIRM AND HALF THE SKY STAFF ("HTS") WORK TOGETHER TO GATHER THE REQUIRED TAX INFORMATION NECESSARY TO COMPLETE THE

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ATTACHMENT 3 (CONT'D)

RETURN. THE TAX FIRM PREPARES THE INITIAL DRAFT AND REVIEWS THE INITIAL DRAFT WITH THE FINANCE TEAM. RECOMMENDED CHANGES ARE REFLECTED IN THE RETURN AND A DRAFT TAX RETURN IS PREPARED. THE BOARD OF DIRECTORS IS SENT THE FINAL 990 DRAFT BEFORE IT IS FILED.

QUESTION 12C: ALL NEW AND EXISTING BOARD MEMBERS AND OFFICERS ARE REQUIRED TO UPDATE THE CONFLICT OF INTEREST FORM ANNUALLY. REFER TO THE ATTACHED CONFLICT OF INTEREST POLICY.

QUESTION 15A: THE BOARD MEMBERS CONDUCT AN ANNUAL REVIEW BY INTERVIEWING BOARD AND DIRECT REPORTS OR DIRECT SUPERVISOR. THE BASIS FOR SALARY COMPENSATION IS DERIVED FROM TWO SOURCES: CENTER FOR NONPROFIT MANAGEMENT COMPENSATION & BENEFITS SURVEY AND CHARITY NAVIGATOR OR CHRONICLE OF PHILANTHROPY SURVEYS. AFTER THE BOARD VOTES ON THE RECOMMENDATIONS MADE BY THE COMPENSATION COMMITTEE, THE COMMITTEE MEETS WITH THE EMPLOYEE, SHARES THE REVIEW AND CONVEYS THE BOARD-APPROVED COMPENSATION FOR THE UPCOMING YEAR.

QUESTION 15B: THE COMPENSATION FOR HTS OFFICERS AND EMPLOYEES ARE PROPOSED BY THE EXECUTIVE DIRECTOR AND THE CFO BASED ON THE SALARY INFO PROVIDED BY LOCAL RECRUITMENT AGENCIES AND APPROVED BY THE BOARD OF HTS US.

QUESTION 19: THE FINANCIAL STATEMENTS AND THE FORM 990 ARE POSTED ON THE WEBSITE WHILE THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ATTACHMENT 3 (CONT'D)

AVAILABLE UPON REQUEST.

ATTACHMENT 4FORM 990, PART V, LINE 4B - FOREIGN COUNTRIES

CHINA

HONG KONG

ATTACHMENT 5FORM 990, PART VI, LINE 17 - STATES

AL, AK, AZ, AR, CA, CO, CT,

FL, GA, IL, KS, KY, LA, ME, MD, MA, MI,

MN, NH, NJ, NM, NY, NC, OH, OK, OR, PA,

RI, SC, TN, UT, VA, WA, WV, WI,

ATTACHMENT 6FORM 990, PART VIII - EXCLUDED CONTRIBUTIONSDESCRIPTIONAMOUNT

GALA DINNER

22,437.

SF EVENT

80,613.

TOTAL

103,050.ATTACHMENT 7

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ATTACHMENT 7 (CONT'D)FORM 990, PART VIII - FUNDRAISING EVENTS

<u>DESCRIPTION</u>	<u>GROSS INCOME</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
GALA DINNER	2,564.	1,301.	1,263.
SF EVENT	0.	1,709.	-1,709.
TOTALS	<u>2,564.</u>	<u>3,010.</u>	<u>-446.</u>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2009
Open to Public Inspection

- ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
- ▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
HALF THE SKY FOUNDATION

Employer identification number
95-4714047

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
HALF THE SKY FOUNDATION (ASIA) LIMITED RM 2703 27 FL SHUN FENG INT'L WAN CHAI, HK	FUNDRAISING	HK	N/A	N/A	N/A
HALF THE SKY FOUNDATION (UK) LIMITED 20-22 BEDFORD ROW WC1R 4JS LONDON, UK	INACTIVE	UK	N/A	N/A	N/A

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule R (Form 990) 2009

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1055)	(j) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

- 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?
 - a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
 - b Gift, grant, or capital contribution to other organization(s)
 - c Gift, grant, or capital contribution from other organization(s)
 - d Loans or loan guarantees to or for other organization(s)
 - e Loans or loan guarantees by other organization(s)

	Yes	No
f Sale of assets to other organization(s)	1f	X
g Purchase of assets from other organization(s)	1g	X
h Exchange of assets	1h	X
i Lease of facilities, equipment, or other assets to other organization(s)	1i	X
j Lease of facilities, equipment, or other assets from other organization(s)	1j	X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l	X
m Sharing of facilities, equipment, mailing lists, or other assets	1m	X
n Sharing of paid employees	1n	X
o Reimbursement paid to other organization for expenses	1o	X
p Reimbursement paid by other organization for expenses	1p	X
q Other transfer of cash or property to other organization(s)	1q	X
r Other transfer of cash or property from other organization(s)	1r	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction Type (a-1)	(c) Amount Involved
(1)	HAIF THE SKY FOUNDATION (ASIA) LTD	N	255,783.
(2)	HAIF THE SKY FOUNDATION (ASIA) LTD	R	2,340,000.
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)**

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

FORM 99C, PART VIII - GROSS SALES AND COST OF GOODS SOLD

ATTACHMENT 8

DESCRIPTION	GROSS SALES	BEGINNING INVENTORY	PURCHASES	SALARIES AND WAGES	OTHER COSTS	MINUS:	
						ENDING INVENTORY	COST OF GOODS SOLD
GROSS SALES	33,005.				10,357.		10,357.
TOTALS	33,005.				10,357.		10,357.

HALF THE SKY FOUNDATION
EIN: 95-4714047
2009 FORM 990, PART III
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

In 2009, Half the Sky accomplished the following exempt purpose achievements:

- Opened Half the Sky/Blue Sky Model Centers in Urumqi, Xinjiang Province; Hohhot, Inner Mongolia; Zhengzhou, Henan Province, and upgraded the HTS Children's Center in Chongqing to become a Blue Sky Model Center. The new Blue Sky Centers were established as part of a cooperation agreement with China's Ministry of Civil Affairs to establish model centers in every province and municipality in the country.
- Opened a short-term Infant Nurture Program in Baotou, Inner Mongolia to address emergency needs at the welfare institution
- Ran province-wide orientations for social welfare institution directors and Blue Sky trainings for institution caregivers in Liaoning and Shandong Provinces.
- Created a fifth program by opening the HTS China Care Home in Beijing, which provides professional, round-the-clock nurturing care and medical supervision as well as surgery at nearby hospitals for medically fragile children fighting for their lives.
- Operated 6 "Big Tops" in Dujiangyan, Sichuan, to provide safe play spaces and counseling for children displaced by the 2008 Wenchuan Earthquake.
- Continued ongoing operation of programs in welfare institutions and AIDS-affected villages in China
- Continued work on national training curriculum for HTS programs
- By the end of 2009, HTS operated 45 centers in 21 provinces and municipalities.
- Total children served by year-end: approximately 6,000
- Estimated number of children who have benefited from the programs: 35,000
- Published 2 general newsletters, 3 Big Sisters newsletters, numerous email newsletters, and thousands of individual progress reports for every child in the Organization's programs
- Assisted in the creation and registration of non-profit entities in Australia, Canada, the UK and The Netherlands

CONFLICT OF INTEREST POLICY HALF THE SKY

I. Purpose

Half the Sky encourages the active involvement of its directors, officers, and employees in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, Half the Sky adopts the following Conflict of Interest Policy.

II. Policy

Directors, officers, and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interest of a director or employee and those of Half the Sky. A conflict of interest exists when the loyalties or actions of a director, officer or employee are divided between the interests of Half the Sky and the interest of the director, officer, or employee. Both the fact and the appearance of a conflict of interest should be avoided.

III. Definitions

Affiliated, affiliation includes all direct and indirect financial interests between a director, officer, or employee and a person with whom Half the Sky is considering entering into any transaction. It also includes any other interest that may influence the judgment of a director, officer or employee. An objective test is applied to determine whether an affiliation exists between the director or employee and the other person: whether the involvement or relationship of the director, officer, or employee with the other person is such that it reduces the likelihood that the director, officer, or employee can act in the best interests of Half the Sky.

Person means any individual, trust, estate, partnership, association, company or corporation.

Substantial influence over Half the Sky. The following persons are deemed to have substantial influence over Half the Sky: each member of the Board of Directors; the officers of Half the Sky, and such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and the spouses of the children, grandchildren, great grandchildren, brothers and sisters; and an entity in which such persons hold more than 35 percent of the control. Furthermore, any person who met one of these definitions in the five years before the proposed transaction is deemed, for purposes of this Policy, to have substantial influence over Half the Sky.

IV. Procedures

Duty to Disclose

Each employee shall disclose to the Executive Director all material facts regarding the affiliation of such employee with any person with whom Half the Sky is considering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction.

The Executive Director and any other person with substantial influence over Half the Sky shall disclose to the Board all material facts regarding his or her affiliation with any person with whom Half the Sky is

considering entering a transaction. The Executive Director or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction. If there is a question as to whether the employee has substantial influence over Half the Sky, the Executive Director shall present this issue to the Board of Directors, and the Board shall resolve the matter.

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

Determining Whether a Conflict of Interest Exists

With regard to an employee without substantial influence over Half the Sky, the Executive Director shall determine whether a conflict of interest exists.

With regard to the Executive Director, or a person with substantial influence over Half the Sky, the Board shall determine if a conflict of interest exists.

After an affiliation disclosure by a director at a Board meeting, the director shall leave the meeting while the implications of the affiliation are considered and voted upon. The remaining Board members shall determine if a conflict of interest exists.

Consequences of the Existence of a Conflict of Interest

With regard to an employee without substantial influence over Half the Sky, the Executive Director shall decide the appropriate response by Half the Sky once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Board.

With regard to the Executive Director or a person with substantial influence over Half the Sky, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

In the case of a director, if it is determined that a conflict of interest exists, the director shall leave the meeting while the transaction is discussed and shall not vote on it. The remaining directors shall follow the procedures set forth in Article V in order to decide whether to enter the transaction and, if so, to ensure that the terms of the transaction are reasonable.

V. Findings of the Board

If the Board of Directors determines that a person with substantial influence over Half the Sky (such person) has a conflict of interest with regard to a transaction of Half the Sky, Half the Sky may engage in the transaction only if the following conditions are met prior to the transaction:

- A. Such person shall disclose to the Board all material facts concerning the person's affiliation with the transaction.
- B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of such person, concludes that:
 - (1) The proposed transaction is fair and reasonable to Half the Sky, and

- (2) Half the Sky proposes to engage in this transaction for its own purposes and benefits and not for the benefit of such person, and
- (3) The proposed transaction is the most beneficial arrangement which Half the Sky could obtain in the circumstances with reasonable efforts.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by such person and reviewed by the Chair of the Board.

VI. Annual Statements

Each person who is deemed to have substantial influence over Half the Sky shall sign an Annual Disclosure Statement which affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood the Policy, and has agreed to comply with the Policy, and discloses any direct or indirect affiliations.

All Annual Disclosure Statements shall be submitted to the Secretary of Half the Sky and filed with the minutes of the first meeting of the Board of Directors held each year.

VII. Remedies

Any director who fails to comply with this Conflict of Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an employee who is deemed to have substantial influence over Half the Sky fails to comply with this Conflict of Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other employee who fails to comply with this Conflict of Interest Policy may be put on notice or terminated, in the discretion of the Executive Director.

VIII. Periodic Reviews

To ensure that Half the Sky operates in a manner consistent with its charitable purposes and its status as an organization exempt from federal income tax, the Board shall authorize and oversee a periodic review of this Conflict of Interest Policy. The review may be written or oral. The review shall consider the level of compliance with the Policy, the continuing suitability of the Policy, and whether the Policy should be modified or improved.

PROTECTIVE

Form **5471**

(Rev. December 2007)

Department of the Treasury
Internal Revenue Service

**Information Return of U.S. Persons With
Respect To Certain Foreign Corporations**

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01/2009**, and ending **12/31/2009**

OMB No. 1545-0704

Attachment
Sequence No. **121**

Name of person filing this return
HALF THE SKY FOUNDATION

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)
715 HEARST AVE, SUITE 200

City or town, state, and ZIP code
BERKELEY, CA 94710

Filer's tax year beginning **01/01/2009**, and ending **12/31/2009**

A Identifying number
95-4714047

B Category of filer (See instructions. Check applicable box(es)):
1 (repealed) 2 3 4 5

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period %

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation
HALF THE SKY FOUNDATION (ASIA) LTD
RM 2703, 27 FL, SHUN FENG INT'L CTR, 182 QUEEN'S RD
WAN CHAI, HK

b Employer identification number, if any
N/A

c Country under whose laws incorporated
HK

d Date of incorporation **03/18/2006**

e Principal place of business **HK**

f Principal business activity code number **813000**

g Principal business activity **NOT-FOR-PROFIT**

h Functional currency **HKD**

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States.
NONE

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
TRICOR SERVICES LIMITED
LEVEL 28 THREE PACIFIC PLACE
HK

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
N/A		

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

Table with 5 columns: (a) Name, address, and identifying number of shareholder; (b) Description of each class of stock held by shareholder; (c) Number of shares held at beginning of annual accounting period; (d) Number of shares held at end of annual accounting period; (e) Pro rata share of subpart F income (enter as a percentage)

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

Income Statement Table with columns: Income, Deductions, Net Income, Functional Currency, and U.S. Dollars. Rows include 1a-9, 10-17, and 18-21.

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U.S. possession	Amount of tax		
		(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			NONE
2				
3				
4				
5				
6				
7				
8	Total			NONE

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	2,078,510.	888,299.
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts	()	()
3	Inventories	NONE	2,564.
4	Other current assets (attach schedule) SEE STATEMENT 5	102,802.	15,052.
5	Loans to shareholders and other related persons		
6	Investment in subsidiaries (attach schedule)		
7	Other investments (attach schedule)		
8a	Buildings and other depreciable assets	1,408.	3,821.
8b	Less accumulated depreciation	()	(2,813.)
9a	Depletable assets		
9b	Less accumulated depletion	()	()
10	Land (net of any amortization)		
11	Intangible assets:		
11a	a Goodwill		
11b	b Organization costs		
11c	c Patents, trademarks, and other intangible assets		
11d	d Less accumulated amortization for lines 11a, b, and c.	()	()
12	Other assets (attach schedule)		
13	Total assets	2,182,720.	906,923.
Liabilities and Shareholders' Equity			
14	Accounts payable	1,527,700.	274,215.
15	Other current liabilities (attach schedule)		
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
18a	a Preferred stock		
18b	b Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	655,020.	632,708.
21	Less cost of treasury stock	()	()
22	Total liabilities and shareholders' equity	2,182,720.	906,923.

Schedule G Other Information

	Yes	No
1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," see the instructions for required attachment.		
2 During the tax year, did the foreign corporation own an interest in any trust?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		
4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

1 Current year net income or (loss) per foreign books of account	1	-194,758.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	Net Additions	Net Subtractions
a Capital gains or losses		
b Depreciation and amortization		
c Depletion		
d Investment or incentive allowance		
e Charges to statutory reserves		
f Inventory adjustments		
g Taxes		
h Other (attach schedule).		
3 Total net additions		
4 Total net subtractions		
5a Current earnings and profits (line 1 plus line 3 minus line 4)	5a	-194,758.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)	5b	
c Combine lines 5a and 5b	5c	-194,758.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))	5d	-25,123.
Enter exchange rate used for line 5d ▶		7.7521800

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1 Subpart F income (line 38b, Worksheet A in the instructions)	1	NONE
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5 Factoring income	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	NONE
7 Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8 Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Did any such income become unblocked during the tax year (see section 964(b))?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

Name of person filing Form 5471

HALF THE SKY FOUNDATION

Identifying number

95-4714047

Name of foreign corporation

HALF THE SKY FOUNDATION (ASIA) LTD

▶ Attach to Form 5471. See Instructions for Form 5471.

	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	5,100,883.					5,100,883.
2a Current year E&P						
b Current year deficit in E&P		194,753.				
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	4,906,125.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	4,906,125.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	4,906,125.					4,906,125.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

USA
9X1565 1.000

36324Y 700W

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

HALF THE SKY FOUNDATION

Identifying number

95-4714047

Name of foreign corporation

HALF THE SKY FOUNDATION (ASIA) LTD

Important: Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ HKD

7.7521800

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11					
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23.					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .					
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .					

PROTECTIVE

Form **5471**

(Rev. December 2007)

Department of the Treasury
Internal Revenue Service

**Information Return of U.S. Persons With
Respect To Certain Foreign Corporations**

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2009 and ending 12/31/2009

OMB No. 1545-0704

Attachment
Sequence No. **121**

Name of person filing this return HALF THE SKY FOUNDATION		A Identifying number 95-4714047
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 715 HEARST AVE, SUITE 200		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input type="checkbox"/>
City or town, state, and ZIP code BERKELEY, CA 94710		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period %
Filer's tax year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation HALF THE SKY FOUNDATION (UK) LTD 20-22 BEDFORD ROW LONDON, WC1R 4JS UK				b Employer identification number, if any N/A	
				c Country under whose laws incorporated UK	
d Date of incorporation 04/25/2008	e Principal place of business UK	f Principal business activity code number INACTIVE	g Principal business activity INACTIVE	h Functional currency GBP	

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States NONE	b If a U.S. income tax return was filed, enter:	
	<i>(i)</i> Taxable income or (loss)	<i>(ii)</i> U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation JORDANS LTD 21 ST THOMAS STREET BS1 6JS UK		
d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different		

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	<i>(i)</i> Beginning of annual accounting period	<i>(ii)</i> End of annual accounting period
N/A		

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

SCH C, LINE 8 - OTHER INCOME

FUNC CURRENCY

US CURRENCY

CONTRIBUTIONS RECEIVED

11,567,619.

TOTAL

11,567,619.

1,483,045.

SCH C, LINE 16 - OTHER DEDUCTIONS

PROGRAM PROJECT COSTS

3,893,034.

PROGRAM SUPPORT

697,510.

ADMINISTRATIVE EXPENSES

2,546,468.

OTHER OPERATING EXPENSES

93,860.

PERSONNEL COSTS

4,532,301.

TOTAL

11,763,173.

1,508,109.

FORM 5471, PAGE 3 DETAIL

	BEGINNING		ENDING	
	FUNC CURRENCY	US CURRENCY	FUNC CURRENCY	US CURRENCY
SCH F, LINE 4 - OTHER CURRENT ASSETS				
PLEDGE RECEIVABLES	800,560.	102,802.		34.
PREPAID EXPENSES	NONE	NONE		31.
UNDEPOSITED FUNDS	NONE	NONE		1,558.
DEPOSITS	NONE	NONE		13,429.
TOTALS	800,560.	102,802.		15,052.