

# Return of Organization Exempt From Income Tax

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

# 2010

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 **2010** calendar year, or tax year beginning , 2010, and ending , 20

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Term-related <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>HALF THE SKY FOUNDATION</b>		<b>D</b> Employer identification number 95-4714047
	Doing Business As		<b>E</b> Telephone number (510) 525-3377
	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		<b>G</b> Gross receipts \$ 5,664,184.	
<b>F</b> Name and address of principal officer: <b>JENNY BOWEN</b> 715 HEARST AVENUE, SUITE 200 BERKELEY, CA 94710		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c)</b> Group exemption number ▶	
<b>J</b> Website: ▶ WWW.HALFTHESKY.ORG			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1998	<b>M</b> State of legal domicile CA

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O.		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 26% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	8.
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	7.
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b>	19.
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	7.
	<b>7a</b> Total gross unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0.
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	6,202,955.	5,595,743.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0.	0.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-26,636.	32,879.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,201,141.	5,601,169.
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,292,502.	1,900,763.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11a)	0.	0.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 806,344.		
<b>17</b> Other expenses (Part IX, column (A), lines 11b-11d, 11f-24f)	5,085,245.	5,311,830.	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	6,377,747.	7,212,593.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	-176,606.	-1,611,424.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	4,396,798.	3,234,454.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20.	129,335.	489,478.
		4,267,463.	2,744,976.

## 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.

<b>Sign Here</b>	Signature of officer 	Date 7/29/11
	Type or print name and title Jenny Bowen, CEO	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name Blondynsky	Preparer's signature 	Date 7/29/11	Check if self-employed <input type="checkbox"/>	PTIN P0084768
	Firm's name GRANT THORNTON LLP	EIN 36-6055558		Phone no. 415-986-3900	
	Firm's address ONE CALIFORNIA STREET, SUITE 2300 SAN FRANCISCO, CA 94111				

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

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2010)

# 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.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**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.

<b>Type or print</b>	Name of exempt organization <b>HALF THE SKY FOUNDATION</b>	Employer identification number <b>95-4714047</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>715 HEARST AVENUE</b>	
File by the due date for filing your return. See instructions.	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>BERKELEY, CA 94710</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- 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 is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 2010 or

▶  tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

2 If the tax year entered in line 1 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, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b \$	
c <b>Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c \$	0.

**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.

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

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 \$ 5,965,473. including grants of \$ 0. ) (Revenue \$ 0. )  
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 ▶ 5,965,473.

Part IV Checklist of Required Schedules

Table with 3 columns: Question, Yes, No. Rows include questions 1 through 20b regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, 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

Check if Schedule O contains a response to any question in this Part V. [ ]

Table with columns for question number, description, sub-part, and Yes/No checkboxes. Includes questions 1a-14b regarding Form 1096, Form W-2G, backup withholding, Form W-3, unrelated business gross income, foreign accounts, prohibited tax shelter transactions, annual gross receipts, deductible contributions, and Form 8282.

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.

Check if Schedule O contains a response to any question in this Part VI [X]

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 at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who 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 governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant 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?; 11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?; 11b 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?; 15a The organization's CEO, Executive Director, or top management official; 15b 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 2
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**

Check if Schedule O contains a response to any question in this Part VII.

**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.

- 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, if any. 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 neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) LOU DEMATTEI DIRECTOR CYPT	5.00	X					0.	0	0.	
(2) DANA JOHNSON DIRECTOR	5.00	X					0.	0	0.	
(3) NANCY SPELMAN SECRETARY	5.00	X		X			0.	0	0.	
(4) JENNY BOWEN CEO	40.00	X		X			250,000.	0	33,685.	
(5) ELLEN ELIASOPH DIRECTOR	5.00	X					0.	0	0.	
(6) PETER LIGHTE DIRECTOR	5.00	X					0.	0	0.	
(7) MELISSA MA DIRECTOR CYPT	5.00	X					0.	0	0.	
(8) GAETANO RUSSO CHAIRMAN	5.00	X		X			0.	0	0.	
(9) MATT DALIO DIRECTOR	5.00	X					0.	0	0.	
(10) TIM HUXLEY DIRECTOR	5.00	X					0.	0	0.	
(11) HELEN TANG CHIEF FINANCIAL OFFICER	40.00			X			102,043.	0	13,248.	
(12) ALLA ZELTSER-FITCH GLOBAL DIRECTOR	40.00					X	125,000.	0	0.	
(13) JANICE N. COTTON CHIEF PROGRAM OFFICER	40.00					X	100,800.	0	0.	
(14)										
(15)										
(16)										



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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
<b>1b Sub-total</b>							577,843	0	46,933	
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							577,843	0	46,933	

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 **4**

	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 or individual 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**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	1a	Federated campaigns . . . . .	1a	62,244.				
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c	449,244.				
	d	Related organizations . . . . .	1d					
	e	Government grants (contributions) . . . . .	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	5,084,255.				
	g	Noncash contributions included in lines 1a-1f: \$ . . . . .		26,515.				
	h	<b>Total. Add lines 1a-1f . . . . .</b>		<b>5,595,743.</b>				
	<b>Program Service Revenue</b>	2a		<b>Business Code</b>				
		b						
c								
d								
e								
f		All other program service revenue . . . . .						
g		<b>Total. Add lines 2a-2f . . . . .</b>		<b>0.</b>				
<b>Other Revenue</b>		3	Investment income (including dividends, interest, and other similar amounts) . . . . .		32,879.			32,879.
	4	Income from investment of tax-exempt bond proceeds . . . . .		0.				
	5	Royalties . . . . .		0.				
	6a	Gross Rents . . . . .	(i) Real	(ii) Personal				
			b	Less: rental expenses . . . . .				
			c	Rental income or (loss) . . . . .				
			d	Net rental income or (loss) . . . . .		0.		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			b	Less: cost or other basis and sales expenses . . . . .				
			c	Gain or (loss) . . . . .				
			d	Net gain or (loss) . . . . .		0.		
	8a	Gross income from fundraising events (not including \$ 449,244. of contributions reported on line 1c). See Part IV, line 18 . . . . .	a	9,866.				
	b	Less: direct expenses . . . . .	b	45,953.				
	c	Net income or (loss) from fundraising events . . . . .		-35,687.			-35,687.	
	9a	Gross income from gaming activities. See Part IV, line 19 . . . . .	a					
b	Less: direct expenses . . . . .	b						
c	Net income or (loss) from gaming activities . . . . .		0.					
10a	Gross sales of inventory, less returns and allowances . . . . .	a	25,696.					
		b	Less: cost of goods sold . . . . .	b	17,462.			
		c	Net income or (loss) from sales of inventory . . . . .		8,234.		8,234.	
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
11a								
b								
c								
d	All other revenue . . . . .							
e	<b>Total. Add lines 11a-11d . . . . .</b>		<b>0.</b>					
12	<b>Total revenue. See instructions . . . . .</b>		<b>5,601,169.</b>			<b>5,426.</b>		

**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).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(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 . . . . .	398,975.	255,316.	129,475.	14,184.
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	24,000.	24,000.		
7	Other salaries and wages . . . . .	1,184,727.	613,065.	53,028.	518,634.
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	13,077.	8,950.	207.	3,920.
9	Other employee benefits . . . . .	191,715.	134,514.	4,366.	52,835.
10	Payroll taxes . . . . .	88,269.	45,147.	5,075.	38,047.
11	Fees for services (non-employees):				
a	Management . . . . .	0.			
b	Legal . . . . .	0.			
c	Accounting . . . . .	85,155.	3,681.	81,474.	
d	Lobbying . . . . .	0.			
e	Professional fundraising services See Part IV, line 17 . . . . .	0.			
f	Investment management fees . . . . .	9,197.		9,197.	
g	Other . . . . .	4,902.	900.	4,002.	
12	Advertising and promotion . . . . .	0.			
13	Office expenses . . . . .	88,652.	15,769.	27,853.	45,030.
14	Information technology . . . . .	30,663.			30,663.
15	Royalties . . . . .	0.			
16	Occupancy . . . . .	141,492.	76,713.	64,779.	
17	Travel . . . . .	109,175.	63,468.	10,436.	35,271.
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0.			
19	Conferences, conventions, and meetings . . . . .	5,558.	5,558.		
20	Interest . . . . .	0.			
21	Payments to affiliates . . . . .	0.			
22	Depreciation, depletion, and amortization . . . . .	28,085.		28,085.	
23	Insurance . . . . .	16,838.		16,838.	
24	Other expenses itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a	NANNIES, TEACHERS, SUPERVISOR	2,973,873.	2,973,873.		
b	SURGERY AND NURTURING CARE	636,120.	636,120.		
c	CRITICAL CARE FUND	286,422.	286,422.		
d	STIPENDS AND TUITION	254,198.	254,198.		
e	FAMILY VILLAGE	219,660.	219,660.		
f	All other expenses	421,840.	348,119.	5,961.	67,760.
25	<b>Total functional expenses.</b> Add lines 1 through 24f	7,212,593.	5,965,473.	440,776.	806,344.
26	Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). 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 . . . . .	412,032.	1	574,658.
	2	Savings and temporary cash investments . . . . .	2,142,927.	2	777,274.
	3	Pledges and grants receivable, net . . . . .	137,544.	3	9,598.
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) . . . . .		6	
	7	Notes and loans receivable, net . . . . .		7	
	8	Inventories for sale or use . . . . .	82,544.	8	66,770.
	9	Prepaid expenses and deferred charges . . . . .	56,876.	9	101,345.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	154,055.		
	10b	Less: accumulated depreciation . . . . .	102,521.		
	10c		75,382.	10c	51,534.
	11	Investments - publicly traded securities . . . . .		11	
	12	Investments - other securities. See Part IV, line 11 . . . . .	939,910.	12	1,060,246.
	13	Investments - program-related. See Part IV, line 11 . . . . .		13	
	14	Intangible assets . . . . .		14	
15	Other assets. See Part IV, line 11 . . . . .	549,583.	15	593,029.	
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	4,396,798.	16	3,234,454.	
Liabilities	17	Accounts payable and accrued expenses . . . . .	129,335.	17	262,652.
	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	226,826.
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .	129,335.	26	489,478.
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 . . . . .	670,018.	27	582,519.
	28	Temporarily restricted net assets . . . . .	2,978,738.	28	1,527,967.
	29	Permanently restricted net assets . . . . .	618,707.	29	634,490.
	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	<b>Total net assets or fund balances</b> . . . . .	4,267,463.	33	2,744,976.	
34	<b>Total liabilities and net assets/fund balances</b> . . . . .	4,396,798.	34	3,234,454.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI.  X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,601,169.
2	Total expenses (must equal Part IX, column (A), line 25)	2	7,212,593.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,611,424.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,267,463.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	88,937.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,744,976.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

- 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 separate basis, consolidated 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

**2010**

**Open to Public Inspection**

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.

Department of the Treasury  
Internal Revenue Service

Name of the organization <b>HALF THE SKY FOUNDATION</b>	Employer identification number <b>95-4714047</b>
--	---

**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)(vi). (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)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	11g(iii)	

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	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

**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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	4,702,075.	3,101,226.	6,245,683.	6,202,955.	5,595,743.	25,847,682.
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 <b>Total.</b> Add lines 1 through 3. . . . .	4,702,075.	3,101,226.	6,245,683.	6,202,955.	5,595,743.	25,847,682.
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 <b>Public support.</b> Subtract line 5 from line 4.						25,847,682.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4 . . . . .	4,702,075.	3,101,226.	6,245,683.	6,202,955.	5,595,743.	25,847,682.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	32,950.	89,979.	83,523.	27,555.	32,879.	266,886.
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.) . . . . .	46,145.	40,304.	96,370.	38,189.	35,562.	256,570.
11 <b>Total support.</b> Add lines 7 through 10 . . . . .						26,371,138.
12 Gross receipts from related activities, etc. (see instructions) . . . . .				12		0.
13 <b>First five years.</b> 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 <b>stop here</b> . . . . .						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	98.02%
15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . .	15	98.95%

- 16a **33 1/3% support test - 2010.** 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 . . . . .
- b **33 1/3% support test - 2009.** 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 . . . . .
- 17a **10%-facts-and-circumstances test - 2010.** 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 . . . . .
- b **10%-facts-and-circumstances test - 2009.** 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 . . . . .
- 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 . . . . .

**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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 . . . . .						
b 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 . . . . .						
c 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c 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.

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15 . . . . .	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17 . . . . .	18	%

19a 33 1/3% support tests - 2010. 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

b 33 1/3% support tests - 2009. 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 explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2006	2007	2008	2009	2010	TOTAL
OTHER INCOME	46,145.	40,304.	96,370.	38,189.	35,562.	256,570.
<b>TOTALS</b>	<u>46,145.</u>	<u>40,304.</u>	<u>96,370.</u>	<u>38,189.</u>	<u>35,562.</u>	<u>256,570.</u>

Schedule of Contributors

2010

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

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	----- ----- -----	\$ 1,701,444.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 500,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	----- ----- -----	\$ 167,329.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	----- ----- -----	\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	----- ----- -----	\$ 121,594.	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

2010

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 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?, 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?

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

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 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, 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?, 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)?, 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.

Table with 2 columns: \$, \$, \$, \$, \$, \$, \$, \$. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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?  Yes  No

**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?  Yes  No

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

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

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.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	1,022,845.	793,545.	918,822.		
b Contributions	65,782.	70,695.	72,944.		
c Net investment earnings, gains, and losses	110,140.	158,605.	-198,121.		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	1,198,767.	1,022,845.	793,545.		

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

- a Board designated or quasi-endowment  36.1600 %
- b Permanent endowment  63.8400 %
- c Term endowment  %

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

	Yes	No
(i) unrelated organizations		X
(ii) related organizations		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		128,771	87,608	41,163.
e Other		25,284	14,913	10,371.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				51,534.

**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
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other		
(A) EQUITY SECURITIES-MUTUAL FUNDS	683,435.	FMV
(B) FIXED INCOME MUTUAL FUNDS	376,811.	FMV
(C) . . . . .		
(D) . . . . .		
(E) . . . . .		
(F) . . . . .		
(G) . . . . .		
(H) . . . . .		
(I) . . . . .		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.)	<b>1,060,246.</b>	

**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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (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
(1) OTHER RECEIVABLES	14,624.
(2) DEPOSITS	32,856.
(3) UNDEPOSITED FUNDS	543,273.
(4) INTERCOMPANY RECEIVABLE	2,276.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	<b>593,029.</b>

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DEFERRED RENT LIABILITY	13,337.
(3) INTERCOMPANY PAYABLE	213,489.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	<b>226,826.</b>

2. FIN 48 (ASC 740) 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 (ASC 740).

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

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	
<b>3</b>	Excess or (deficit) for the year. Subtract line 2 from line 1	<b>3</b>	
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV.)	<b>8</b>	
<b>9</b>	Total adjustments (net). Add lines 4 through 8	<b>9</b>	
<b>10</b>	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	<b>10</b>	

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	<b>2a</b>		
b	Donated services and use of facilities	<b>2b</b>		
c	Recoveries of prior year grants	<b>2c</b>		
d	Other (Describe in Part XIV.)	<b>2d</b>		
e	Add lines 2a through 2d		<b>2e</b>	
<b>3</b>	Subtract line 2e from line 1		<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
b	Other (Describe in Part XIV.)	<b>4b</b>		
c	Add lines 4a and 4b		<b>4c</b>	
<b>5</b>	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)			<b>5</b>

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

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	<b>2a</b>		
b	Prior year adjustments	<b>2b</b>		
c	Other losses	<b>2c</b>		
d	Other (Describe in Part XIV.)	<b>2d</b>		
e	Add lines 2a through 2d		<b>2e</b>	
<b>3</b>	Subtract line 2e from line 1		<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
b	Other (Describe in Part XIV.)	<b>4b</b>		
c	Add lines 4a and 4b		<b>4c</b>	
<b>5</b>	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)			<b>5</b>

**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.

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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

ASC 740-10-25, ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTITY'S CONSOLIDATED FINANCIAL STATEMENTS AND PROVIDES GUIDANCE ON THE RECOGNITION, DE-RECOGNITION AND MEASUREMENT OF BENEFITS RELATED TO AN ENTITY'S UNCERTAIN TAX POSITIONS, IF ANY. THE FOUNDATION ADOPTED ASC 740-10-25 ON JANUARY 1, 2009 AND THE ADOPTION OF THIS STANDARD HAD NO MATERIAL EFFECT ON THE FOUNDATION'S CONSOLIDATED FINANCIAL STATEMENTS AS OF JANUARY 1, 2009 OR AT DECEMBER 31, 2009 AND 2010. AS SUCH, THE FOUNDATION DOES NOT HAVE A DEFERRED TAX ASSET ON THE STATEMENT OF FINANCIAL POSITION AND THERE HAVE BEEN NO RELATED TAX PENALTIES OR INTEREST, WHICH WOULD BE CLASSIFIED AS TAX EXPENSE IN THE STATEMENT OF ACTIVITIES.



**Part XIV** Supplemental Information (continued)

PURSUANT TO THE STATUE OF LIMITATIONS, THE FOUNDATION IS OPEN TO AUDIT BY THE INTERNAL REVENUE SERVICE ("IRS") FOR ITS 2007-2010 TAX YEARS AND VARIOUS STATE TAXING AUTHORITIES FOR 2006-2010 TAX YEARS. THE FOUNDATION CURRENTLY DOES NOT HAVE ANY EXAMINATIONS IN PROGRESS WITH THE IRS OR STATES. THE FOUNDATION DOES NOT ANTICIPATE THAT THERE WILL BE ANY MATERIAL CHANGES IN ITS UNRECOGNIZED TAX POSITIONS OVER THE NEXT 12 MONTHS.

**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No 1545-0047

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

▶ Attach to Form 990. ▶ See separate instructions.

**2010**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

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 V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, 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 for and investments in region
(1) EAST ASIA AND THE PACIFIC	1.	21.	PROGRAM SERVICES	OPERATES PROGRAMS IN STATE-RUN ORPHANAGES	5,214,227.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	1.	21.			5,214,227.
b Total from continuation sheets to Part I					
c Totals (add lines 3a and 3b)	1.	21.			5,214,227.

**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.  Part II can be duplicated 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)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

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.  
 Part III can be duplicated 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)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926).* . . . . .  Yes  No
  
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A).* . . . . .  Yes  No
  
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see Instructions for Form 5471).* . . . . .  Yes  No
  
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* . . . . .  Yes  No
  
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865).* . . . . .  Yes  No
  
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* . . . . .  Yes  No

**Part V** Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

**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.

OMB No. 1545-0047

**2010**

**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  Mail solicitations
- b  Internet and email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

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 and address 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			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
<b>Total</b>						

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

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total events	
		GALA DINNER	CHICAGO EVENT	5.	(add col. (a) through col. (c))	
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	89,992.	149,004.	220,114.	459,110.
	2	Less: Charitable contributions	80,126.	149,004.	220,114.	449,244.
	3	Gross income (line 1 minus line 2)	9,866.			9,866.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages		7,660.	14,987.	22,647.
	8	Entertainment				
	9	Other direct expenses	1,885.	6,052.	14,969.	22,906.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				( 45,553.)
	11	Net income summary. Combine line 3, column (d), and line 10				-35,687.

**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	%	Yes	%	Yes	%		
Revenue	1	Gross revenue							
	Direct Expenses	2	Cash prizes						
		3	Noncash prizes						
		4	Rent/facility costs						
		5	Other direct expenses						
6	Volunteer labor	Yes	%	Yes	%	Yes	%		
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								

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?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_



- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 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?  Yes  No
- 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?  Yes  No
- 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?  Yes  No
  - 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 ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**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

**2010**

**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 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 are 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 from the organization or a related organization? **4a** X
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** X
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** X
- 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? **5a** X
- b** Any related organization? **5b** X
- 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? **6a** X
- b** Any related organization? **6b** X
- 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 **7** X

**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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8** X

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

	Yes	No
<b>1a</b>		
<b>1b</b>		
<b>2</b>		
<b>3</b>		
<b>4a</b>		X
<b>4b</b>		X
<b>4c</b>		X
<b>5a</b>		X
<b>5b</b>		X
<b>6a</b>		X
<b>6b</b>		X
<b>7</b>		X
<b>8</b>		X
<b>9</b>		

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

Schedule J (Form 990) 2010

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies 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				
1	JENNY BOWEN	(i) 250,000.00	(ii) 0.00	(iii) 0.00	6,188.00	27,497.00	283,685.00	0.00
2		(i)	(ii)	(iii)				
3		(i)	(ii)	(iii)				
4		(i)	(ii)	(iii)				
5		(i)	(ii)	(iii)				
6		(i)	(ii)	(iii)				
7		(i)	(ii)	(iii)				
8		(i)	(ii)	(iii)				
9		(i)	(ii)	(iii)				
10		(i)	(ii)	(iii)				
11		(i)	(ii)	(iii)				
12		(i)	(ii)	(iii)				
13		(i)	(ii)	(iii)				
14		(i)	(ii)	(iii)				
15		(i)	(ii)	(iii)				
16		(i)	(ii)	(iii)				

**Part III Supplemental Information**

Complete 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.

**SCHEDULE L**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ Complete if the organization answered  
"Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2010**

**Open To Public Inspection**

Name of the organization: **HALF THE SKY FOUNDATION** Employer identification number: **95-4714047**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).  
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Limited?	
			Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

1	(a) Name of interested person and purpose	(b) Loans to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
		To	From			Yes	No	Yes	No	Yes	No
		(1)									
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total . . . . .					▶ \$ _____						

**Part III Grants or Assistance Benefiting Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

1	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) RICHARD BOWEN	HUSBAND OF CEO	24,000.	INDEPENDENT CONTRACTOR		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

**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

**2010**

**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 or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art . . . . .	X	1.	487.	COST/SELLING PRICE
2 Art - Historical treasures . . . . .				
3 Art - Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .	X		3,680.	COST/SELLING PRICE
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 . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶ ( ATCH 1 ) . . . . .		169.	22,348.	
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
30 a 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	
32 a 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 an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

**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 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>(A) CHECK</u>	<u>(B) NUMBER OF CONTRIBUTIONS</u>	<u>(C) REVENUES REPORTED</u>	<u>(D) METHOD OF DETERMINING</u>
DINNER TICKET	X	2.	330.	COST/SELLING PRICE
ENTERTAINMENT TICKET	X	2.	314.	COST/SELLING PRICE
ACCOMMODATION	X	4.	6,544.	COST/SELLING PRICE
BEAUTY TREATMENT	X	4.	1,172.	COST/SELLING PRICE
PENDANTS	X	25.	1,250.	COST/SELLING PRICE
COMPUTER	X	12.	12,300.	COST/SELLING PRICE
CALENDAR	X	120.	438.	COST/SELLING PRICE
TOTALS		<u>169.</u>	<u>22,348.</u>	



**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2010**

**Open to Public  
Inspection**

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ORGANIZATION'S MISSION

PART I, LINE 1 AND PART III, LINE 1

HALF THE SKY ("HTS") 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 OFFER LOVING PERMANENT FAMILY CARE, MEDICAL 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.

GOVERNANCE, MANAGEMENT, AND DISCLOSURE

PART VI

QUESTION 11B: AN EXTERNAL TAX FIRM AND HALF THE SKY STAFF WORK TOGETHER TO GATHER THE REQUIRED TAX INFORMATION NECESSARY TO COMPLETE THE 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.

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

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 ASIA 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 HTS'S WEBSITE WHILE THE GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST.

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

ATTACHMENT 1

CHINA

HONG KONG

UNITED KINGDOM

Name of the organization

HALF THE SKY FOUNDATION

Employer identification number

95-4714047

ATTACHMENT 2FORM 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 3FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

<u>DESCRIPTION</u>	<u>AMOUNT</u>
GALA DINNER	80,126.
CHICAGO EVENT	149,004.
OTHER EVENTS	220,114.
TOTAL	<u>449,244.</u>

ATTACHMENT 4FORM 990, PART VIII - FUNDRAISING EVENTS

<u>DESCRIPTION</u>	<u>GROSS INCOME</u>	<u>DIRECT EXPENSES</u>	<u>NET INCOME</u>
GALA DINNER	9,866.	1,885.	7,981.
CHICAGO EVENT	0.	13,712.	-13,712.
OTHER EVENTS	0.	29,956.	-29,956.
TOTALS	<u>9,866.</u>	<u>45,553.</u>	<u>-35,687.</u>

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2010**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ 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.

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?	
						Yes	No
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							

**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	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	HALF THE SKY FOUNDATION (ASIA) LIMITED RM 2703 27 FL SHUN PENG INT'L MAN CHAI, HK	FUNDRAISING	HK	N/A	N/A	N/A		X
(2)	HALF THE SKY FOUNDATION (UK) LIMITED 20-22 BEDFORD ROW WCTR 403 LONDON, UK	FUNDRAISING	UK	N/A	N/A	N/A		X
(3)								
(4)								
(5)								
(6)								
(7)								

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

Schedule R (Form 990) 2010

**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 1065)	(j) General or managing partner		(k) Percentage ownership
								Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													

**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
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, 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)
  - f Sale of assets to other organization(s)
  - g Purchase of assets from other organization(s)
  - h Exchange of assets
  - i Lease of facilities, equipment, or other assets to other organization(s)
  - j Lease of facilities, equipment, or other assets from other organization(s)
  - k Performance of services or membership or fundraising solicitations for other organization(s)
  - l Performance of services or membership or fundraising solicitations by other organization(s)
  - m Sharing of facilities, equipment, mailing lists, or other assets
  - n Sharing of paid employees
  - o Reimbursement paid to other organization for expenses
  - p Reimbursement paid by other organization for expenses
  - q Other transfer of cash or property to other organization(s)
  - r Other transfer of cash or property from other organization(s)

	(a) Name of other organization	(b) Transaction type (a-1)	(c) Amount involved	(d) Method of determining amount involved	Yes No	
					1a	1b
(1)	HALF THE SKY FOUNDATION (ASIA) LTD	N	103,160.	ACTUAL EXPENSE		
(2)	HALF THE SKY FOUNDATION (ASIA) LTD	Q	1,350,000.	COST		
(3)	HALF THE SKY FOUNDATION (ASIA) LTD	R	3,760,000.	COST		
(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 section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disprop. allocate allocations?		(g) Code V-UBI amount (if box 20 partner) (form 1085)	(h) General or managing partner?	
				Yes	No		Yes	No		Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

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**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

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HALF THE SKY FOUNDATION  
EIN: 95-4714047  
2010 FORM 990, PART III  
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

In 2010, Half the Sky accomplished the following exempt purpose achievements:

- Opened Half the Sky/Blue Sky Model Centers in Changchun, Jilin Province; Shijiazhuang, Hebei Province; Xiamen, Fujian Province; Datong, Shanxi Province. Upgraded HTS Children's Centers in Chongqing, Hefei, Anhui; Nanjing, Jiangsu and Nanning, Guangxi to become Blue Sky Model Centers. 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.
- Continued ongoing operation of programs in welfare institutions and AIDS-affected villages in China
- By the end of 2010, HTS operated 47 centers in 23 provinces and municipalities.
- Total children served by year-end: approximately 7,000
- Estimated number of children who have benefited from the programs: 40,000
- Published 2 general newsletters, 2 Youth Services newsletters, Annual Report, numerous email newsletters, and thousands of individual progress reports for every child in the Organization's programs
- Held program training workshops in Changchun, Jilin Province; Shijiazhuang, Hebei Province; Xiamen, Fujian Province; Datong, Shanxi; Chongqing, Hefei, Anhui; Nanjing, Jiangsu and Nanning, Guangxi and 1-5 day workshops at selected HTS Children's Centers to address a variety of specific needs.
- Continued work on national training curriculum for HTS programs
- Co-hosted a national symposium in Nanjing that brought together 150 orphanage directors, heads of children's departments and other child welfare officials as well as HTS staff to discuss ways to better integrate Half the Sky programs into the daily life of each institution.
- Co-hosted a Directors' Workshop on the Yangtze River attended by 200 orphanage directors, other child welfare officials and HTS staff about how to work together to make positive change for the children.

## 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**

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

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2010, and ending 12/31/2010

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 (repeated) 2  3  4  5

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 01/01/2010, and ending 12/31/2010

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
<u>N/A</u>		

For Paperwork Reduction Act Notice, see instructions.

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

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

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a)	(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)
				100%

**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.

			Functional Currency	U.S. Dollars
Income	1 a Gross receipts or sales	1 a		
	b Returns and allowances	1 b		
	c Subtract line 1b from line 1a	1 c		
	2 Cost of goods sold	2		
	3 Gross profit (subtract line 2 from line 1c)	3		
	4 Dividends	4		
	5 Interest	5		
	6 a Gross rents	6 a		
	b Gross royalties and license fees	6 b		
7 Net gain or (loss) on sale of capital assets	7			
8 Other income (attach schedule)	8	SEE STATEMENT 2	18,646,353.	2,400,344.
9 Total income (add lines 3 through 8)	9		18,646,353.	2,400,344.
Deductions	10 Compensation not deducted elsewhere	10		
	11 a Rents	11 a		
	b Royalties and license fees	11 b		
	12 Interest	12		
	13 Depreciation not deducted elsewhere	13		
	14 Depletion	14		
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes)	16	SEE STATEMENT 2	18,193,108.
17 Total deductions (add lines 10 through 16)	17		18,193,108.	2,341,998.
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18	453,245.	58,346.
	19 Extraordinary items and prior period adjustments (see instructions)	19		
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		453,245.

HALF THE SKY FOUNDATION

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Page 3

**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.			
2				NONE
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	888,299.	341,669.
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts	( )	( )
3	Inventories	2,564.	256.
4	Other current assets (attach schedule) SEE STATEMENT 3	15,052.	373,259.
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	3,821.	7,727.
8b	Less accumulated depreciation	(2,813.)	(4,460.)
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	<b>Total assets</b>	<b>906,923.</b>	<b>718,451.</b>
<b>Liabilities and Shareholders' Equity</b>			
14	Accounts payable	274,215.	27,037.
15	Other current liabilities (attach schedule) SEE STATEMENT 3	NONE	359.
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	632,708.	691,055.
21	Less cost of treasury stock	( )	( )
22	<b>Total liabilities and shareholders' equity</b>	<b>906,923.</b>	<b>718,451.</b>

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**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	453,245.
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 . . . . .		
5 a Current earnings and profits (line 1 plus line 3 minus line 4) . . . . .	5a	453,245.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) . . . . .	5b	
c Combine lines 5a and 5b . . . . .	5c	453,245.
d Current earnings and profits in US dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) . . . . .	5d	58,346.
Enter exchange rate used for line 5d ▶ 7.7682000		

**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.



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

**SCHEDULE J**  
**(Form 5471)**

OMB No. 1545-0704

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

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

Name of person filing Form 5471

Identifying number  
95-4714047

**HALE THE SKY FOUNDATION**

**HALE THE SKY FOUNDATION (ASIA) LTD**

**Important.** Enter amounts in functional currency.

	(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	
<b>1</b> Balance at beginning of year	4,906,125.				4,906,125.
<b>2a</b> Current year E&P	433,245.				
<b>b</b> Current year deficit in E&P					
<b>3</b> Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	5,359,370.				
<b>4</b> Amounts included under section 951(a) or reclassified under section 959(c) in current year					
<b>5a</b> Actual distributions or reclassifications of previously taxed E&P					
<b>b</b> Actual distributions of nonpreviously taxed E&P					
<b>6a</b> Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					
<b>b</b> Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	5,359,370.				
<b>7</b> Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	5,359,370.				5,359,370.

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

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

## 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

Identifying number

HALF THE SKY FOUNDATION

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 7.7682000

(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 Platform contribution transaction payments received . . . . .					
5 Cost sharing transaction 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 Platform contribution transaction payments paid . . . . .					
17 Cost sharing transaction 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 . . . . .	2,040,574.				

PROTECTIVE

Form **5471**

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

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01/2010 , and ending 12/31/2010

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 (repeated) 2  3  4  5

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 01/01/2010 , and ending 12/31/2010

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.

1 a 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 813000 g Principal business activity NOT-FOR-PROFIT 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) 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  
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) Beginning of annual accounting period	(ii) End of annual accounting period
<u>N/A</u>		

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

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(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)
				100%

**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.

		Functional Currency		U.S. Dollars	
Income	1 a Gross receipts or sales	1 a			
	b Returns and allowances	1 b			
	c Subtract line 1b from line 1a	1 c			
	2 Cost of goods sold	2			
	3 Gross profit (subtract line 2 from line 1c)	3			
	4 Dividends	4			
	5 Interest	5			
	6 a Gross rents	6 a			
	b Gross royalties and license fees	6 b			
7 Net gain or (loss) on sale of capital assets	7				
8 Other income (attach schedule)	8	SEE STATEMENT, 4	17,188.	26,545.	
9 Total income (add lines 3 through 8)	9		17,188.	26,545.	
Deductions	10 Compensation not deducted elsewhere	10			
	11 a Rents	11 a			
	b Royalties and license fees	11 b			
	12 Interest	12			
	13 Depreciation not deducted elsewhere	13			
	14 Depletion	14			
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15			
	16 Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes)	16	SEE STATEMENT, 4	4,622.	7,138.
17 Total deductions (add lines 10 through 16)	17		4,622.	7,138.	
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18	12,566.	19,407.	
	19 Extraordinary items and prior period adjustments (see instructions)	19			
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20			
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21		12,566.	19,407.

HALF THE SKY FOUNDATION

Form 5471 (Rev 12-2007)

**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.			
2				NONE
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	NONE	21,084.
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts	( )	( )
3	Inventories		
4	Other current assets (attach schedule) SEE STATEMENT 5	NONE	600.
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		
8b	Less accumulated depreciation	( )	( )
9a	Depletable assets		
9b	Less accumulated depletion	( )	( )
10	Land (net of any amortization)		
11	Intangible assets:		
a	Goodwill		
b	Organization costs		
c	Patents, trademarks, and other intangible assets		
11d	Less accumulated amortization for lines 11a, b, and c	( )	( )
12	Other assets (attach schedule)		
13	Total assets	NONE	21,684.
<b>Liabilities and Shareholders' Equity</b>			
14	Accounts payable		
15	Other current liabilities (attach schedule) SEE STATEMENT 5	NONE	2,276.
16	Loans from shareholders and other related persons		
17	Other liabilities (attach schedule)		
18	Capital stock:		
a	Preferred stock		
b	Common stock		
19	Paid-in or capital surplus (attach reconciliation)		
20	Retained earnings	NONE	19,408.
21	Less cost of treasury stock	( )	( )
22	Total liabilities and shareholders' equity	NONE	21,684.

**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	12,566.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
	<b>Net Additions</b>	<b>Net Subtractions</b>
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	12,566.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) . . . . .	5b	
c Combine lines 5a and 5b . . . . .	5c	12,566.
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	19,407.
Enter exchange rate used for line 5d ▶		0.6475000

**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.

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

**SCHEDULE J**  
**(Form 5471)**  
(Rev. December 2005)  
Department of the Treasury  
Internal Revenue Service

OMB No. 1545-0704

▶ 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 (UK) LTD**

	1	2a	b	3	4	5a	b	6a	b	7	(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))
											(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P (pre-87 section 959(c)(3) balance)	(i) Earnings Invested in U.S. Property	
Balance at beginning of year	NONE													NONE
Current year E&P		12,566.												
Current year deficit in E&P														
Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)		12,566.												
Amounts included under section 951(a) or reclassified under section 959(c) in current year														
Actual distributions or reclassifications of previously taxed E&P														
Actual distributions of nonpreviously taxed E&P														
Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)														
Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)										12,566.				
Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)										12,566.				12,566.

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

**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

Identifying number

HALF THE SKY FOUNDATION

95-4714047

Name of foreign corporation

HALF THE SKY FOUNDATION (UK) 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 ▶ GBP 0.6475000

(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 Platform contribution transaction payments received . . . . .					
5 Cost sharing transaction 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 Platform contribution transaction payments paid . . . . .					
17 Cost sharing transaction 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 . . . . .	2,276.				
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . . . .					



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FORM 5471, PAGE 2 DETAIL

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SCH C, LINE 8 - OTHER INCOME	FUNC CURRENCY	US CURRENCY
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CONTRIBUTIONS RECEIVED	18,363,484.	2,363,930.
OTHER INCOME	282,869.	36,414.
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TOTAL	18,646,353.	2,400,344.
	=====	=====

SCH C, LINE 16 - OTHER DEDUCTIONS	FUNC CURRENCY	US CURRENCY
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PROGRAM SERVICES	14,340,789.	1,846,089.
FUNDRAISING EXPENSES	2,706,719.	348,436.
MANAGEMENT AND GENERAL EXPENSES	1,145,600.	147,473.
	-----	-----
TOTAL	18,193,108.	2,341,998.
	=====	=====

FORM 5471, PAGE 3 DETAIL

	BEGINNING		ENDING	
	FUNC CURRENCY	US CURRENCY	FUNC CURRENCY	US CURRENCY
SCH F, LINE 4 - OTHER CURRENT ASSETS				
PREPAID EXPENSE		31.		561.
DEPOSITS		13,429.		29,238.
UNDEPOSITED FUND		1,558.		11,489.
PLEDGE RECEIVABLE		34.		100,346.
INTERCOMPANY RECEIVABLE		NONE		231,625.
TOTALS		15,052.		373,259.
SCH F, LINE 15 - OTHER CURRENT LIABILITIES				
DEFERRED INCOME		NONE		359.
TOTALS		NONE		359.

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FORM 9911, PAGE 2 OF 2

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SCH C, LINE 8 - OTHER INCOME

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CONTRIBUTIONS  
OTHER INCOME

FUNC CURRENCY

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17,186.  
2.

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US CURRENCY

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26,542.  
3.

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TOTAL

17,188.

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26,545.

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SCH C, LINE 16 - OTHER DEDUCTIONS

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PROGRAM SERVICES  
FUNDRAISING EXPENSES  
MANAGEMENT AND GENERAL EXPENSES

582.  
3,911.  
129.

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899.  
6,040.  
199.

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TOTAL

4,622.

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7,138.

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FORM 5471, PAGE 3 DETAIL

	BEGINNING		ENDING	
	FUNC CURRENCY	US CURRENCY	FUNC CURRENCY	US CURRENCY
SCH F, LINE 4 - OTHER CURRENT ASSETS				
UNDEPOSITED FUNDS		NONE		600.
TOTALS		NONE		600.
SCH F, LINE 15 - OTHER CURRENT LIABILITIES				
INTERCOMPANY PAYABLE		NONE		2,276.
TOTALS		NONE		2,276.