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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2010

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning 8/01, 2010, and ending 7/31, 2011

G Check all that apply: Initial return Initial Return of a former public charity Final return
 Amended return Address change Name change

Clay Foundation - West
1188 Dance Drive
Sonoma, CA 95476

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) **► \$ 2,491,494.** J Accounting method Cash Accrual
 Other (specify) _____

A Employer identification number
33-6339800

B Telephone number (see the instructions)
(707) 939-1188

C If exemption application is pending, check here ►

D 1 Foreign organizations, check here ►
2 Foreign organizations meeting the 85% test, check here and attach computation ►

E If private foundation status was terminated under section 507(b)(1)(A), check here ►

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ►

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)	18.			
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	15.	15.	N/A	
	4 Dividends and interest from securities	21,477.	21,477.		
	5a Gross rents b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a	4,037.			
	7 Capital gain net income (from Part IV, line 2)		4,037.		
	8 Net short-term capital gain				
	9 Income modifications 10a Gross sales less returns and allowances b Less Cost of goods sold				
3036	RECEIVED AUG 22 2011 OSC				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	25,547.	25,529.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) b Accounting fees (attach sch) See St 1	550.	96.	454.	
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule) (see instr) See Stm 2	-376.	-570.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 3	31.	8.	23.	
	24 Total operating and administrative expenses. Add lines 13 through 23	205.	-466.	477.	
	25 Contributions, gifts, grants paid Part XV	108,100.		108,100.	
	26 Total expenses and disbursements. Add lines 24 and 25	108,305.	-466.	108,577.	
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements				
		-82,758.		25,995.	
	b Net investment income (if negative, enter -0-)				
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)	Beginning-of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	1			
	2	8,293.	10,373.	10,373.	
	3				
	Less allowance for doubtful accounts ►				
	4				
	Less: allowance for doubtful accounts ►				
	5				
	6				
	7				
	Less: allowance for doubtful accounts ►				
	8				
	9				
	10a	Investments — U S. and state government obligations (attach schedule)			
	b	Investments — corporate stock (attach schedule)	2,240,890.	2,156,052.	2,481,121.
	c	Investments — corporate bonds (attach schedule)			
	11	Investments — land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►				
12	Investments — mortgage loans.				
13	Investments — other (attach schedule)				
14	Land, buildings, and equipment basis ►				
	Less: accumulated depreciation (attach schedule) ►				
15	Other assets (describe ►)				
16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	2,249,183.	2,166,425.	2,491,494.	
LIABILITIES	17				
	18				
	19				
	20				
	21				
	22				
	23	Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS/DEFICIENCY	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		<input checked="" type="checkbox"/>		
	24	Unrestricted	2,249,183.	2,166,425.	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		<input type="checkbox"/>		
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see the instructions)	2,249,183.	2,166,425.	
	31	Total liabilities and net assets/fund balances (see the instructions)	2,249,183.	2,166,425.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,249,183.
2	Enter amount from Part I, line 27a	2	-82,758.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	2,166,425.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	2,166,425.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement 4				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	4,037.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8		3	10,272.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	94,108.	2,196,504.	0.042844
2008	41,172.	1,872,202.	0.021991
2007	68,464.	1,826,498.	0.037484
2006	15,725.	372,652.	0.042198
2005	7,856.	315,815.	0.024875

2 Total of line 1, column (d) **2** **0.169392**

3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years **3** **0.033878**

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 **4** **2,410,574.**

5 Multiply line 4 by line 3 **5** **81,665.**

6 Enter 1% of net investment income (1% of Part I, line 27b) **6** **260.**

7 Add lines 5 and 6 **7** **81,925.**

8 Enter qualifying distributions from Part XII, line 4 **8** **108,577.**

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1.	1	260.
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instr.)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)	3	260.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3 Add lines 1 and 2	5	260.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	Refunded	
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	6a	0.
6 Credits/Payments:	6b	0.
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6c	0.
b Exempt foreign organizations – tax withheld at source	6d	0.
c Tax paid with application for extension of time to file (Form 8868)	7	0.
d Backup withholding erroneously withheld	8	0.
7 Total credits and payments. Add lines 6a through 6d	9	260.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	10	0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	11	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ►		

Part VII-A Statements Regarding Activities

1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

	Yes	No
1 a	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

	1 b	X

If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

	1 c	X

c Did the foundation file **Form 1120-POL** for this year?

	2	X

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation ► \$ <u>0.</u>	(2) On foundation managers ► \$ <u>0.</u>

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

	3	X

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

	4 a	X

If 'Yes,' attach a detailed description of the activities.

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes

	4 b	N/A

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

	5	X

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

	6	X

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

	7	X

If 'Yes,' attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

	8 b	X

• By language in the governing instrument, or

	9	X

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

	10	X

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► _____

CA

b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

Part VII-A Statements Regarding Activities (Continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► None	13	X
14	The books are in care of ► Buffington Clay Miller Located at ► 1188 Dance Drive, Sonoma, CA	Telephone no. ► (707) 939-1188 ZIP + 4 ► 95476	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15	N/A
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country ►			

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see the instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__ .		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

1	N/A	
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

1	<u>N/A</u> ----- -----	
2	----- -----	

All other program-related investments See instructions

3 _____

Total: Add lines 1 through 3. ► 0

Total. Add lines 1 through 3

Form 990-PF (2010)

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:
 a Average monthly fair market value of securities

1a	2,370,465.
1b	76,818.
1c	
1d	2,447,283.
1e	0.
2	0.
3	2,447,283.
4	36,709.
5	2,410,574.
6	120,529.

b Average of monthly cash balances
 c Fair market value of all other assets (see instructions)
 d **Total** (add lines 1a, b, and c)
 e Reduction claimed for blockage or other factors reported on lines 1a and 1c
 (attach detailed explanation)

2 Acquisition indebtedness applicable to line 1 assets

3 Subtract line 2 from line 1d

4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
 (for greater amount, see instructions)

5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4

6 **Minimum investment return.** Enter 5% of line 5

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part.)

1 Minimum investment return from Part X, line 6

2a Tax on investment income for 2010 from Part VI, line 5

1	120,529.
2a	260.
2b	
2c	260.
3	120,269.
4	
5	120,269.
6	
7	120,269.

b Income tax for 2010 (This does not include the tax from Part VI.)

c Add lines 2a and 2b

3 Distributable amount before adjustments Subtract line 2c from line 1

4 Recoveries of amounts treated as qualifying distributions

5 Add lines 3 and 4

6 Deduction from distributable amount (see instructions)

7 **Distributable amount as adjusted** Subtract line 6 from line 5 Enter here and on Part XIII, line 1

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:
 a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26

1a	108,577.
1b	
2	
3a	
3b	
4	108,577.
5	260.
6	108,317.

b Program-related investments – total from Part IX-B

2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes

3 Amounts set aside for specific charitable projects that satisfy the
 a Suitability test (prior IRS approval required)

b Cash distribution test (attach the required schedule)

4 **Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4

5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income
 Enter 1% of Part I, line 27b (see instructions)

6 **Adjusted qualifying distributions.** Subtract line 5 from line 4

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				120,269.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			108,555.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010.				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► \$ 108,577.			108,555.	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2010 distributable amount				22.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				120,247.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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Form 990-PF (2010)

Part XV **Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i> See Statement 5				
Total			► 3a	108,100.
<i>b Approved for future payment</i>				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	15.	
4 Dividends and interest from securities			14	21,477.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	4,037.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				25,529.	
13 Total Add line 12, columns (b), (d), and (e)				25,529.	

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

- (1) Cash .
- (2) Other assets

b Other transactions

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements .
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitation

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

	Yes	No
1a (1)	X	
1a (2)	X	
1b (1)	X	
1b (2)	X	
1b (3)	X	
1b (4)	X	
1b (5)	X	
1b (6)	X	
1c	X	

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign
Here

Beffington Clay Miller
Signature of officer or trustee

8/12/11

President
Title

Paid Preparer Use Only	Print/Type preparer's name Jeffrey M. Dreyer	Preparer's signature Jeffrey M. Dreyer	Date 8/09/11	Check if <input checked="" type="checkbox"/> if self-employed	PTIN N/A
	Firm's name ► Jeffrey M. Dreyer, C.P.A.	Firm's EIN ► N/A			
	Firm's address ► 811 West Napa Street, Suite A Sonoma, CA 95476	Phone no (707) 938-2273			

BAA

Form 990-PF (2010)

Clay Foundation - West

33-6339800

Statement 1
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax Preparation	\$ 550.	\$ 96.		\$ 454.
Total	<u>\$ 550.</u>	<u>\$ 96.</u>		<u>\$ 454.</u>

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Excise Tax	\$ 194.			
Foreign Taxes on Dividends (Reclaims)	-570.	\$ -570.		
Total	<u>\$ -376.</u>	<u>\$ -570.</u>		<u>\$ 0.</u>

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ADR Pass Through Fees	\$ 3.	\$ 3.		
Filing Fees	10.	2.		\$ 8.
Postage	18.	3.		15.
Total	<u>\$ 31.</u>	<u>\$ 8.</u>		<u>\$ 23.</u>

Statement 4
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	120 shs Alcon	Purchased	11/12/2009	8/20/2010
2	75 shs AFLAC	Purchased	5/24/2004	9/20/2010
3	130 shs Bed Bath & Beyond	Purchased	1/10/2005	4/28/2011
4	280 shs Starbucks Corp	Purchased	12/14/2006	4/25/2011
5	250 shs Starbucks Corp	Donated	2/14/2007	4/25/2011
6	550 shs Walgreen's	Purchased	12/30/2003	9/23/2010
7	150 shs Walgreen's	Donated	2/14/2007	9/23/2010
8	600 shs Alcon	Purchased	11/12/2009	8/18/2010
9	1100 shs Microsoft	Donated	2/14/2007	9/23/2010
10	1600 shs Microsoft	Donated	2/14/2007	10/29/2010
11	600 shs Patterson	Donated	2/14/2007	3/28/2011

Clay Foundation - West

33-6339800

Statement 4 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description		(b) How Acquired	(c) Date Acquired	(d) Date Sold			
Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
12	2100 shs Patterson			Donated	2/14/2007			4/25/2011
13	200 shs Varian			Purchased	11/12/2009			5/06/2011
14	1600 shs WalMart			Purchased	7/28/2009			9/23/2010
1	19,208.		17,520.	1,688.				\$ 1,688.
2	3,998.		3,072.	926.				926.
3	7,412.		5,210.	2,202.				2,202.
4	10,361.		10,294.	67.				67.
5	9,251.		6,851.	2,400.				2,400.
6	16,240.		19,970.	-3,730.				-3,730.
7	4,429.		6,818.	-2,389.				-2,389.
8	96,141.		87,557.	8,584.				8,584.
9	26,866.		31,510.	-4,644.				-4,644.
10	43,112.		45,832.	-2,720.				-2,720.
11	18,879.		22,386.	-3,507.				-3,507.
12	70,676.		78,351.	-7,675.				-7,675.
13	14,191.		9,002.	5,189.				5,189.
14	85,751.		78,105.	7,646.				7,646.
							Total	\$ 4,037.

Statement 5
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Sonoma Community Center 276 East Napa Street Sonoma, CA 95476			Unrestricted operating funds.	\$ 2,500.
Sonoma Valley Education Found P.O. Box 493 Sonoma, CA 95476			Unrestricted operating funds.	5,000.
Brooks School 1160 Great Pond Road North Andover, MA 01845			Unrestricted operating funds.	20,000.
Boys & Girls Clubs of Sonoma Valley P.O. Box 218 El Verano, CA 95433			Unrestricted operating funds.	3,000.

Statement 5 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Sonoma Valley Teen Services 17440 Sonoma Highway Sonoma, CA 95476			Unrestricted operating funds.	\$ 3,000.
Sonoma Valley Mentoring Alliance P.O. Box 721 Sonoma, CA 95476			Unrestricted operating funds.	10,000.
Friends in Sonoma Helping P.O. Box 507 Sonoma, CA 95476			Unrestricted operating funds.	1,000.
La Luz Bilingual Center P.O. Box 1016 Boys Hot Springs, CA 95416			Unrestricted operating funds.	10,000.
Marin Theatre Company 397 Miller Avenue Mill Valley, CA 94941			Unrestricted operating funds.	6,600.
Cinnabar Theater 3333 Petaluma Blvd. No. Petaluma, CA 94952			Unrestricted operating funds.	6,000.
Sixth Street Playhouse 52 West 6th Street Santa Rosa, CA 95401			Unrestricted operating funds.	6,000.
Sonoma Theater Alliance 755 Broadway, Suite A Sonoma, CA 95476			Unrestricted operating funds.	10,000.
TheatreWorks P.O. Box 50458 Palo Alto, CA 94303			Unrestricted operating funds.	5,000.
Rensselaer Polytechnic Institute 110 8th Street Troy, NY 12180			Unrestricted operating funds.	6,000.
Sunnyvale Community Services 725 Kifer Road Sunnyvale, CA 94086			Unrestricted operating funds.	3,000.
El Camino YMCA 2400 Grant Road Mountain View, CA 94040			Unrestricted operating funds.	5,000.

Clay Foundation - West

33-6339800

Statement 5 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Florida State Univ. Flying High Circus P.O. Box 3064026 Tallahassee, FL 32306			Unrestricted operating funds.	\$ 1,000.
San Francisco LGBT Community Center 1800 Market Street San Francisco, CA 94102			Unrestricted operating funds.	5,000.
			Total	<u>\$ 108,100.</u>

Clay Foundation - West Fund A
Current Portfolio By Purchase Lot
7/31/11

33-6339800

No. of Shares	Company	Date Bought	Cost/ Share	Current Value	Cost	Paper Gain/Loss	Ann'l. Perc. Gain
425 AFL	Aflac	5/24/04	\$40.96	\$19,575.50	\$17,406.26	\$2,169.24	2%
175 AFL	Aflac	2/14/07	\$53.50	\$8,060.50	\$9,362.50	(\$1,302.00)	-3%
40 AAPL	Apple	4/28/11	\$347.34	\$15,619.20	\$13,893.75	\$1,725.45	58%
270 BBBY	Bed Bath & B	1/10/05	\$40.08	\$15,792.30	\$10,821.30	\$4,971.00	6%
400 BBBY	Bed Bath & B	2/14/07	\$34.24	\$23,396.00	\$13,694.00	\$9,702.00	13%
680 CVS	CVS Caremar	7/28/09	\$33.72	\$24,718.00	\$22,928.95	\$1,789.05	4%
180 DHR	Danaher	2/14/07	\$38.71	\$8,839.80	\$6,966.90	\$1,872.90	5%
540 ESRX	Express Scrip	9/20/10	\$47.92	\$29,300.40	\$25,874.41	\$3,425.99	16%
140 FISV	Fiserve	2/14/07	\$48.30	\$8,450.40	\$6,762.00	\$1,688.40	5%
360 FISV	Fiserve	9/14/09	\$47.98	\$21,729.60	\$17,274.59	\$4,455.01	13%
15 GOOG	Google	2/14/07	\$512.70	\$9,055.35	\$7,690.50	\$1,364.85	4%
35 GOOG	Google	7/28/09	\$440.08	\$21,129.15	\$15,402.80	\$5,726.35	17%
750 HPQ	Hewlett-Pack	4/25/11	\$40.52	\$26,377.50	\$30,389.95	(\$4,012.45)	-41%
510 MHS	Medco Health	8/20/08	\$46.60	\$32,068.80	\$23,765.99	\$8,302.81	11%
400 MDT	Medtronic	1/10/05	\$51.39	\$14,420.00	\$20,555.95	(\$6,135.95)	-5%
140 MDT	Medtronic	2/14/07	\$53.00	\$5,047.00	\$7,420.00	(\$2,373.00)	-8%
120 MDT	Medtronic	7/28/09	\$34.90	\$4,326.00	\$4,187.63	\$138.37	2%
430 ORCL	Oracle	9/14/09	\$22.76	\$13,149.40	\$9,786.42	\$3,362.98	17%
300 RMD	ResMed	2/14/07	\$21.02	\$9,087.00	\$6,306.75	\$2,780.25	9%
840 RMD	ResMed	7/28/09	\$20.29	\$25,443.60	\$17,039.64	\$8,403.96	22%
120 STJ	St Jude Med	7/28/09	\$38.83	\$5,580.00	\$4,659.35	\$920.65	9%
370 STJ	St Jude Med	4/24/08	\$44.39	\$17,205.00	\$16,424.37	\$780.63	1%
100 STJ	St Jude Med	10/3/08	\$43.37	\$4,650.00	\$4,336.95	\$313.05	2%
270 SYK	Stryker	7/13/04	\$55.00	\$14,671.80	\$14,848.65	(\$176.85)	0%
40 SYK	Stryker	12/13/06	\$55.61	\$2,173.60	\$2,224.35	(\$50.75)	0%
90 SYK	Stryker	12/14/06	\$55.76	\$4,890.60	\$5,018.45	(\$127.85)	-1%
150 SYK	Stryker	2/14/07	\$64.94	\$8,151.00	\$9,741.00	(\$1,590.00)	-4%
460 UNH	UnitedHealth	1/10/05	\$44.03	\$22,829.80	\$20,255.35	\$2,574.45	2%
125 UNH	UnitedHealth	2/14/07	\$48.78	\$6,203.75	\$6,096.88	\$106.87	0%
205 UNH	UnitedHealth	7/28/09	\$29.08	\$10,174.15	\$5,962.05	\$4,212.10	30%
470 WMT	WalMart	7/28/09	\$48.81	\$24,773.70	\$22,939.55	\$1,834.15	4%
100 WMT	WalMart	4/25/11	\$53.49	\$5,271.00	\$5,348.75	(\$77.75)	-5%
Subtotal				\$462,159.90	\$405,385.99	\$56,773.91	
Money Market Funds				\$2,539.43	\$2,539.43		
Total Stocks Owned				\$464,699.33	\$407,925.42	\$56,773.91	14%

Clay Foundation - West, Fund B
Current Portfolio by Purchase Lot
7/31/11

33-6339800

No. of Shares	Company	Date Bought	Cost/ Share	Current Value	Cost	Paper Gain/Loss	Ann'l. Perc. Gain
1700 AFL	Aflac	2/14/07	\$53.50	\$78,302.00	\$90,950.00	(\$12,648.00)	-3%
300 AFL	Aflac	11/12/09	\$44.67	\$13,818.00	\$13,400.65	\$417.35	2%
100 AAPL	Apple	7/27/10	\$263.13	\$39,048.00	\$26,313.15	\$12,734.85	48%
250 AAPL	Apple	9/21/10	\$284.20	\$97,620.00	\$71,049.95	\$26,570.05	45%
2100 BBBY	Bed Bath Bey	2/14/07	\$34.24	\$122,829.00	\$71,893.50	\$50,935.50	13%
2600 CVS	CVS Caremar	2/14/07	\$37.77	\$94,510.00	\$98,202.00	(\$3,692.00)	-1%
2400 DHR	Danaher	2/14/07	\$38.71	\$117,864.00	\$92,892.00	\$24,972.00	5%
2400 ESRX	Expr Scripts	2/14/07	\$24.70	\$130,224.00	\$59,274.00	\$70,950.00	19%
1900 FISV	Fiserve	2/14/07	\$48.30	\$114,684.00	\$91,770.00	\$22,914.00	5%
200 GOOG	Google	2/14/07	\$512.70	\$120,738.00	\$102,540.00	\$18,198.00	4%
1700 HPQ	Hewlett-Pack	4/25/11	\$40.51	\$59,789.00	\$68,872.55	(\$9,083.55)	-41%
400	Hewlett-Pack	5/10/11	\$41.10	\$14,068.00	\$16,440.95	(\$2,372.95)	-50%
900 MHS	Medco Health	12/29/08	\$42.42	\$56,592.00	\$38,176.15	\$18,415.85	16%
600 MHS	Medco Health	7/28/09	\$50.90	\$37,728.00	\$30,542.95	\$7,185.05	11%
2200 MDT	Medtronic	7/28/09	\$34.79	\$79,310.00	\$76,546.65	\$2,763.35	2%
900 ORCL	Oracle	9/14/09	\$22.74	\$27,522.00	\$20,465.05	\$7,056.95	17%
1400 PEP	PepsiCo	2/14/07	\$67.69	\$89,656.00	\$94,766.00	(\$5,110.00)	-1%
3200 RMD	ResMed	7/28/09	\$20.21	\$96,928.00	\$64,660.17	\$32,267.83	22%
1900 STJ	St Jude Med	4/11/08	\$43.81	\$88,350.00	\$83,244.15	\$5,105.85	2%
300 STJ	St.Jude Med	5/12/08	\$41.55	\$13,950.00	\$12,464.65	\$1,485.35	4%
200 STRA	Strayer	10/1/10	\$160.85	\$24,330.00	\$32,170.95	(\$7,840.95)	-29%
400 STRA	Strayer	10/29/10	\$138.79	\$48,660.00	\$55,517.75	(\$6,857.75)	-16%
1400 SYK	Stryker	2/14/07	\$64.94	\$76,076.00	\$90,916.00	(\$14,840.00)	-4%
100 SYK	Stryker	5/12/08	\$64.48	\$5,434.00	\$6,447.75	(\$1,013.75)	-5%
300 SYK	Stryker	11/12/09	\$49.50	\$16,302.00	\$14,849.65	\$1,452.35	6%
2100 UNH	United Health	2/14/07	\$48.78	\$104,223.00	\$102,427.50	\$1,795.50	0%
500 UNH	United Health	5/12/08	\$32.78	\$24,815.00	\$16,388.45	\$8,426.55	14%
900 VAR	Varian Med	11/12/09	\$45.01	\$56,484.00	\$40,506.43	\$15,977.57	21%
300 VAR	Varian Med	9/21/10	\$60.27	\$18,828.00	\$18,080.05	\$747.95	5%
1600 WAG	Walgreens	7/28/09	\$30.21	\$62,464.00	\$48,328.95	\$14,135.05	14%
1300 WLP	Wellpoint	2/14/07	\$77.36	\$87,815.00	\$100,568.00	(\$12,753.00)	-3%
				\$2,018,961.00	\$1,750,666.00	\$268,295.00	
Money Market Funds				\$7,834.00	\$7,834.00		
Total Stocks Owned				\$2,026,795.00	\$1,758,500.00	\$268,295.00	15%