Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545 0052

2011

For calendar year 2011, or tax year beginning , 2011, and ending ,

Arkay Foundation
127 University Avenue
Berkeley, CA 94710

A Employer Identification number 77-0404924

B Telephone number (see the instructions) 510-841-4025

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 ► ☐

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

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)* ► $ 23,283,431.

J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

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 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)	17,197,364.			
	2	Ck ► ☐ if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	45.	45.	N/A	
	4	Dividends and interest from securities	283,914.	283,914.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	169,483.			
	b	Gross sales price for all assets on line 6a 3,346,941.				
	7	Capital gain net income (from Part IV, line 2)		169,483.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit/(loss) (att sch)				
	11	Other income (attach schedule)		850,341.	See Statement 10	
	12	**Total.** Add lines 1 through 11	* 17,650,806.	1,303,783.		
OPERATING AND 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) See St 1	1,550.			150.
	b	Accounting fees (attach sch) See St 2	5,243.			5,243.
	c	Other prof fees (attach sch) See St 3	113,778.	41,639.		72,139.
	17	Interest				
	18	Taxes (attach schedule)(see instrs) See Stm 4	39,189.			
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	20,975.			21,516.
	22	Printing and publications				
	23	Other expenses (attach schedule) See Statement 5	6,774.			5,703.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	187,509.	41,639.		104,751.
	25	Contributions, gifts, grants paid Part XV	567,000.			567,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	* 754,509.	41,639.		671,751.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	16,896,297.			
	b	**Net investment income** (if negative, enter -0-)		1,262,144.		
	c	**Adjusted net income** (if negative, enter -0-)				

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*See Statement 12

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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	Cash — non-interest-bearing	41,048.	94,196.	94,196.
	2	Savings and temporary cash investments	535,809.	10,949,198.	10,949,198.
	3	Accounts receivable ►			
		Less. allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less. allowance for doubtful accounts ►			
	5	Grants receivable		250,583.	250,583.
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less. allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	2,888.	414.	414.
	10a	Investments — U.S. and state government obligations (attach schedule)	499,894.		
	b	Investments — corporate stock (attach schedule)			
	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) Statement 6	5,678,817.	11,989,040.	11,989,040.
	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 the instructions. Also, see page 1, item I)	6,758,456.	23,283,431.	23,283,431.
LIABILITIES	17	Accounts payable and accrued expenses	870.	23,760.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	870.	23,760.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.** ► ☒			
	24	Unrestricted	6,757,586.	23,009,088.	
	25	Temporarily restricted		250,583.	
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ► ☐			
	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 instructions)	6,757,586.	23,259,671.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	6,758,456.	23,283,431.	

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	6,757,586.
2	Enter amount from Part I, line 27a	2	16,896,297.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	23,653,883.
5	Decreases not included in line 2 (itemize) ► See Statement 7	5	394,212.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	23,259,671.

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	Sales of Publicly Traded Securities	P	Various	Various
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	3,346,941.		3,177,458.	169,483.
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(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	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				169,483.
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** 169,483.

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 instructions) If (loss), enter -0- in Part I, line 8 — **3** 0.

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))
2010	15,911.	6,656,405.	0.002390
2009	796,268.	5,938,777.	0.134079
2008	770,153.	6,530,877.	0.117925
2007	549,654.	2,530,469.	0.217214
2006	451,386.	338,791.	1.332344

2	**Total** of line 1, column (d)	2	1.803952
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	0.360790
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	9,661,815.
5	Multiply line 4 by line 3	5	3,485,886.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	12,621.
7	Add lines 5 and 6	7	3,498,507.
8	Enter qualifying distributions from Part XII, line 4	8	671,751.

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 instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter ________ **(attach copy of letter if necessary – see instrs)**				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	25,243.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	25,243.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	25,243.
6 Credits/Payments				
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	53,626.		
b Exempt foreign organizations – tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	53,626.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			8	75.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►			9	0.
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	28,308.
11 Enter the amount of line 10 to be **Credited to 2012 estimated tax** ► 28,308. **Refunded** ►			11	0.

Part VII-A Statements Regarding Activities

		Yes	No
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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		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.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either. • By language in the governing instrument, or • 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?	6	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*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see 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*	8b	X	
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► www.arkayfoundation.org

14 The books are in care of ► Leventhal Kline Management Telephone no. ► 510-841-4123

Located at ► 127 University Avenue Berkeley CA ZIP + 4 ► 94710

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2011, 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		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

				Yes	No
	File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.				
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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Stmt 11	☒ Yes ☐ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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 instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	► ☐			
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 2011?		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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__				
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 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?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2011 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 2011.)*		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 2011?		4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X (No)

If 'Yes' to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 8		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over $50,000 ► 0

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
Leventhal Kline Management Inc 127 University Avenue Berkeley, CA 94710	Management Svcs	85,397.
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.	Expenses
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.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ►	0.

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	7,029,265.
b Average of monthly cash balances			1b	2,779,684.
c Fair market value of all other assets (see instructions)			1c	
d **Total** (add lines 1a, b, and c)			1d	9,808,949.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.		
2 Acquisition indebtedness applicable to line 1 assets			2	0.
3 Subtract line 2 from line 1d			3	9,808,949.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)			4	147,134.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	9,661,815.
6 **Minimum investment return.** Enter 5% of line 5			6	483,091.

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			1	483,091.
2a Tax on investment income for 2011 from Part VI, line 5	2a	25,243.		
b Income tax for 2011. (This does not include the tax from Part VI)	2b			
c Add lines 2a and 2b			2c	25,243.
3 Distributable amount before adjustments. Subtract line 2c from line 1			3	457,848.
4 Recoveries of amounts treated as qualifying distributions			4	
5 Add lines 3 and 4			5	457,848.
6 Deduction from distributable amount (see instructions)			6	
7 **Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	457,848.

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	671,751.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the. a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 **Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	671,751.
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)	5	
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	671,751.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					457,848.
2 Undistributed income, if any, as of the end of 2011:					
a Enter amount for 2010 only				0.	
b Total for prior years 20___, 20___, 20___			0.		
3 Excess distributions carryover, if any, to 2011:					
a From 2006	396,945.				
b From 2007	429,000.				
c From 2008	454,287.				
d From 2009	500,034.				
e From 2010					
f **Total** of lines 3a through e		1,780,266.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► $ 671,751.					
a Applied to 2010, but not more than line 2a				0.	
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 2011 distributable amount					457,848.
e Remaining amount distributed out of corpus		213,903.			
5 Excess distributions carryover applied to 2011 *(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		1,994,169.			
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 2010. Subtract line 4a from line 2a Taxable amount — see instructions				0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					0.
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 2006 not applied on line 5 or line 7 (see instructions)		396,945.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		1,597,224.			
10 Analysis of line 9.					
a Excess from 2007	429,000.				
b Excess from 2008	454,287.				
c Excess from 2009	500,034.				
d Excess from 2010					
e Excess from 2011	213,903.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ►

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2011	**(b)** 2010	**(c)** 2009	**(d)** 2008	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** 'Assets' alternative test — enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter: **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year — see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here ► ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed.

N/A

b The form in which applications should be submitted and information and materials they should include

N/A

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

N/A

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	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
a *Paid during the year*				
See Statement 9				
Total			► **3a**	567,000.
b *Approved for future payment*				
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 instructions)
	(a) Business code	(b) Amount	(c) Exclusion 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	45.	
4 Dividends and interest from securities			14	283,914.	
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	169,483.	
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)				453,442.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 453,442.

(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 instructions)
N/A	

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

		Yes	No
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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions.			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting 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		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee

Date 8/6/12

Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self employed	PTIN
Carol Duffield	Carol Duffield	7/31/12		P01257136

Firm's name ► Fontanello, Duffield & Otake, LLP

Firm's EIN ► 37-1420474

Firm's address ► 44 Montgomery Street, Suite 2019

San Francisco, CA 94104

Phone no (415) 983-0200

Schedule B
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF**

OMB No 1545 0047

2011

Name of the organization
Arkay Foundation

Employer identification number
77-0404924

Organization type (check one).

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)(_____) (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, total 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 total 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 Part I, 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).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Schedule B (Form 990, 990-EZ, or 990-PF) (2011) Page 1 of 1 of **Part 1**

Name of organization
Arkay Foundation

Employer identification number
77-0404924

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Estate of Stephen Kahn 2100 Garden Road, Ste F Monterey, CA 93940	$ 17,197,363.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization
Arkay Foundation

Employer identification number
77-0404924

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A	$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
Arkay Foundation

Employer identification number
77-0404924

Part III *Exclusively* **religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete cols **(a)** through **(e) and** the following line entry.

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ► $ N/A

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	$ 1,550.			$ 150.
Total	$ 1,550.	$ 0.		$ 150.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	$ 5,243.			$ 5,243.
Total	$ 5,243.	$ 0.		$ 5,243.

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foundation Management Fees	$ 80,154.	$ 8,015.		$ 72,139.
Investment Management Fees	33,624.	33,624.		
Total	$ 113,778.	$ 41,639.		$ 72,139.

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise Taxes	$ 39,189.			
Total	$ 39,189.	$ 0.		$ 0.

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Fees	$ 50.			$ 50.
Dues & Subscriptions	1,282.			1,282.
Filing Fees	215.			215.
Insurance	1,250.			
Office Expense	7.			71.
Other Outside Consultants	3,265.			3,344.
Postage & Delivery	355.			355.
Telephone Expense	350.			386.
Total	$ 6,774.	$ 0.		$ 5,703.

Statement 6
Form 990-PF, Part II, Line 13
Investments - Other

	Valuation Method	Book Value	Fair Market Value
Other Publicly Traded Securities			
Vanguard Total Bond Mkt Index	Mkt Val	$ 4,632,236.	$ 4,632,236.
Vanguard Inflation Prot. Admr.	Mkt Val	649,901.	649,901.
Vanguard Total World	Mkt Val	6,162,218.	6,162,218.
Vanguard REIT	Mkt Val	317,376.	317,376.
DFA Intl Real Estate Sec Port	Mkt Val	227,309.	227,309.
Total		$ 11,989,040.	$ 11,989,040.

Statement 7
Form 990-PF, Part III, Line 5
Other Decreases

FMV Adjustment Investments	$ 392,838.
Prior Period Adjustment	1,374.
Total	$ 394,212.

Statement 8
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen-sation	Contri-bution to EBP & DC	Expense Account/ Other
Marian Penn 127 University Avenue Berkeley, CA 94710	President/Dir 4.00	$ 0.	$ 0.	$ 0.
Susan Reed Clark 127 University Avenue Berkeley, CA 94710	Treasurer/Dir 3.00	0.	0.	0.
Laura Flanagan 127 University Avenue Berkeley, CA 94710	Secretary/Dir 3.00	0.	0.	0.
Cecelia Hurwich 127 University Avenue Berkeley, CA 94710	Director 2.00	0.	0.	0.
Karen M. Kahn 127 University Avenue Berkeley, CA 94710	Director 2.00	0.	0.	0.
David Goldschmidt 127 University Avenue Berkeley, CA 94710	Director 2.00	0.	0.	0.
William H. Soskin, Esq 127 University Avenue Berkeley, CA 94710	Director 3.00	0.	0.	0.
Harald Leventhal 127 University Avenue Berkeley, CA 94710	CFO 0.25	0.	0.	0.
Benita Kline 127 University Avenue Berkeley, CA 94710	Ass't Secretary 0.25	0.	0.	0.
	Total	$ 0.	$ 0.	$ 0.

Statement 9
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Action Council of Monterey County, Inc. 69 S. Main Street, Ste 206 Salina, CA 93901	N/A	509(a)(1)	General Support for The WIP	$ 1,000.
Agenda Project Education Fund 594 Broadway, Ste 1012 New York, NY 10012	N/A	509(a)(1)	General Support	4,000.
Berkeley Public Library Foundation 2090 Kittredge Street Berkeley, CA 94704	N/A	509(a)(1)	Claremont Branch Builing Fund	5,000.
William J. Brennan Center for Justice 161 Ave of the Americas, 12th Fl New York, NY 10013	N/A	509(a)(1)	To Support Arizona Fair Elections Case	40,000.
C.G. Jung Institute 2040 Gough Street San Francisco, CA 94109	N/A	509(a)(1)	General Support	1,000.
Center for Community Change 1536 U Street, NW Washington, DC 20009	N/A	509(a)(1)	Community Voting Project	25,000.
Center on Budget and Policy Priorities 820 1st Street, NE, Ste 510 Washington, DC 20002	N/A	509(a)(1)	General Support	10,000.
Central Coast AIDS Services PO Box 1931 Monterey, CA 93942	N/A	509(a)(1)	Share the Care Program	5,000.
Central Sierra Environmental Resource Ct PO Box 396 Twain Harte, CA 95383	N/A	509(a)(1)	General Support	1,000.
Clean Energy States Alliance Inc. 50 State Street Montpelier, VT 05602	N/A	509(a)(1)	Offshore Wind Accelerator Project	70,000.
Clubbed Thumb, Inc. 141 East 3rd Street Apt 11-H New York, NY 10009	N/A	509(a)(1)	General Support	2,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Common Cause Education Fund 1133 19th St NW 9th Fl Washington, DC 20036	N/A	509(a)(1)	Protecting Public Financing	$ 20,000.
Corner House Foundation 369 Witherspoon Street Princeton, NJ 08542	N/A	509(a)(1)	General Support	2,500.
CSUMB Foundation 100 Campus Center Seaside, CA 93955	N/A	509(a)(1)	Jim Rote Professorship	1,000.
David Brower Center 2150 Allston Way Berkeley, CA 94704	N/A	509(a)(1)	General Support	1,000.
dZi Foundation 546 Hyde Street Ridgeway, CO 81432	N/A	509(a)(1)	General Support	2,000.
Earth Island Institute/Women's Earth All 2150 Allston Way Berkeley, CA 94704	N/A	509(a)(1)	Women's Earth Alliance - No America Programs	10,000.
Earthjustice 426 17th Street, 6th Fl Oakland, CA 94612	N/A	509(a)(1)	Support work on EPA	5,000.
Ecology Center 2530 San Pablo Avenue Berkeley, CA 94702	N/A	509(a)(1)	General Support	1,000.
Ensemble Theater Company 137 North Larchmont Blvd, Ste 134 Los Angeles, CA 90004	N/A	509(a)(2)	General Support	4,000.
Equality Now PO Box 20646 New York, NY 10023	N/A	509(a)(1)	Adolescent Girls Legal Defense	5,000.
Equality Now PO Box 20646 New York, NY 10023	N/A	509(a)(1)	Panzi Hospital	5,000.
First Unitarian Universalist Church 1187 Franklin Street San Francisco, CA 94109	N/A	509(a)(1)	Up on Top Program	5,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Franciscan Workers of Junipero Serra PO Box 2027 Salinas, CA 93902	N/A	509(a)(1)	Dorothy's Kitchen	$ 2,000.
Friends of IHES 501 Madison Avenue, 14th Fl New York, NY 10022	N/A	509(a)(1)	General Support	5,000.
Global Fund For Women 222 Sutter Street, Ste 500 San Francisco, CA 94108	N/A	509(a)(1)	General Support	5,000.
Global Fund For Women 222 Sutter Street, Ste 500 San Francisco, CA 94108	N/A	509(a)(1)	Women Dismantling Militarism Initiative	5,000.
Great Old Broads for Wilderness PO Box 2924 Durango, CO 81301	N/A	509(a)(1)	General Support	1,000.
Green Corps 44 Winter Street 4th Fl Boston, MA 02108	N/A	509(a)(1)	General Support	2,000.
Green Science Policy Institute/SEE PO Box 5455 Berkeley, CA 94705	N/A	509(a)(2)	General Support	1,000.
HiTops 21 Wiggins Street Princeton, NJ 08540	N/A	509(a)(1)	General Support	2,500.
Homeboy Industries 130 West Bruno Street Los Angeles, CA 90012	N/A	509(a)(1)	General Support	5,000.
Hopewell Valley Education Foundation PO Box 553 Pennington, NJ 08534	N/A	509(a)(2)	General Support	5,000.
Immaculate Conception Academy 3625-24th Street San Francisco, CA 94110	N/A	509(a)(1)	Scholarships	9,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Institute for America's Future 1825 K Street, NW Washington, DC 20006	N/A	509(a)(1)	Take Back the American Dream Conference	$ 1,000.
Interim, Inc. PO Box 3222 Monterey, CA 93942	N/A	509(a)(1)	Success over Stigma Program	1,000.
International Forum on Globalization 1009 General Kennedy Ave, Ste 2 San Francisco, CA 94129	N/A	509(a)(1)	General Support	5,000.
Intl Society of Women Airline Pilots 723 S Casino Center Blvd, 2nd Fl Las Vegas, NV 89101	N/A	509(a)(1)	ISA + 21 Scholarship Program	1,000.
KPFK/Pacifica Foundation 3729 Cahuenga Blvd West North Hollywood, CA 91604	N/A	509(a)(1)	General Support	2,000.
Legal Services for Seniors 915 Hilby Avenue # 2 Seaside, CA 93955	N/A	509(a)(1)	General Support	1,000.
Level Playing Field Institute 543 Howard Street, 5th Fl San Francisco, CA 94105	N/A	509(a)(1)	General Support	1,000.
MAPLight 1474 University Avenue Berkeley, CA 94702	N/A	509(a)(1)	General Support	40,000.
mEarth PO Box 223702 Carmel, CA 93922	N/A	509(a)(1)	mEarth at Hilton Bialek Habitat	2,000.
Monterey Jazz Festival PO Box JAZZ Monterey, CA 93942	N/A	509(a)(1)	General Support	1,000.
National Alopecia Areata Foundation 14 Mitchell Boulevard San Rafael, CA 94903	N/A	509(a)(1)	General Support	1,000.

Statement 9 (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
Oakland Institute PO Box 18978 Oakland, CA 94619	N/A	509(a)(1)	To support land rights in Africa	$ 10,000.
Open Fist Theatre Company 6209 Santa Monica Boulevard Hollywood, CA 90038	N/A	509(a)(2)	General Support	4,000.
Oregon Progress Forum 333 SE 2nd Ave Portland, OR 97214	N/A	509(a)(1)	Bus Federation Civic Fund	15,000.
Pasadena Arts Council 65 South Grand Avenue Pasadena, CA 91105	N/A	509(a)(2)	Reading Opens Minds	2,000.
Planned Parenthood Federation of America 434 West 33rd Street, 12th Fl New York, NY 10001	N/A	509(a)(1)	General Support	22,000.
Ploughshares Fund 1808 Wedemeyer Street San Francisco, CA 94129	N/A	509(a)(1)	General Support	1,000.
Probe International Foundation Inc. 200 Delaware Avenue, Ste 900 Buffalo, NY 14202	N/A	509(a)(1)	UC Berkeley Symposium on Three Gorges Dam	10,000.
Proteus Fund 101 University Drive, Suite A2 Amherst, MD 01002	N/A	509(a)(1)	The Piper Fund	55,000.
Public Campaign 1320 19th street, NW Washington, DC 20036	N/A	509(a)(1)	San Francisco Convening	1,000.
Rainforest Action Network 221 Pine Street, Ste 500 San Francisco, CA 94104	N/A	509(a)(1)	Campaign to Halt Clearcutting by Agribusiness	5,000.
Restorative Justice Partners 395 Del Monte Center # 189 Monterey, CA 93940	N/A	509(a)(1)	General Support	1,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
Sacramento Loaves and Fishes PO Box 2161 Sacramento, CA 95812	N/A	509(a)(1)	General Support	$ 2,000.
Santa Barbara Master Chorale PO Box 30803 Santa Barbara, CA 93130	N/A	509(a)(1)	General Support	2,000.
SEVA Foundation 1786 5th Street Berkeley, CA 94710	N/A	509(a)(1)	AIDS Eye Initiative	2,000.
Sierra Foothill Conservancy PO Box 691 Mariposa, CA 95338	N/A	509(a)(1)	Mariposa Area	1,000.
Slow Money 320 Washington Street, 4th Fl Brookline, MA 02445	N/A	509(a)(1)	General Support	1,000.
SMPAC/Semillas para el Futuro 46 E Monterey Way Phoenix, AZ 85012	N/A	509(a)(1)	General Support	2,000.
Southern Poverty Law Center 400 Washington Ave Montomgery, AL 36104	N/A	509(a)(1)	General Support	1,000.
Southern Poverty Law Center 400 Washington Ave Montomgery, AL 36104	N/A	509(a)(1)	General Support	1,000.
The Bhutan Foundation 2100 Pennsylvania Ave NW, Ste 525 Washington, DC 20037	N/A	509(a)(1)	Respect, Educate, Nurture and Empower Women in Bhutan Program	5,000.
Tides Foundation Presidio Bldg 1014 San Francisco, CA 94129	N/A	509(a)(1)	We Are the Solution Fund	5,000.
Transition House 425 East Cota Street Santa Barbara, CA 93101	N/A	509(a)(1)	General Support	2,000.

Statement 9 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
U.C. Berkeley Foundation 2080 Addison Street #4200 Berkeley, CA 94720	N/A	509(a)(1)	Faculty Club Campaign	$ 2,000.
U.C. Berkeley Library Fund 131 Doe Library Berkeley, CA 94720	N/A	509(a)(1)	General Support	1,000.
United Republic PO Box 60008 Florence, MA 01062	N/A	509(a)(1)	General Support	25,000.
Ventana Wilderness Alliance PO Box 506 Santa Cruz, CA 95061	N/A	509(a)(1)	The Cone Peaks Trail Project	1,000.
Ventana Wilderness Alliance PO Box 506 Santa Cruz, CA 95061	N/A	509(a)(1)	Support Youth in Wilderness Project	1,000.
Verde Valley School 3511 Verde Valley School Road Sedona, AZ 86351	N/A	509(a)(1)	General Support	3,000.
William J. Brennan Center for Justice 161 Avenue of the Americas, 12th Fl New York, NY 10013	N/A	509(a)(1)	General Support	55,000.
Yosemite Conservancy 155 Montgomery Street, Ste 1104 San Francisco, CA 94104	N/A	509(a)(1)	Reconstruction of Tenaya Lake	5,000.
			Total	$ 567,000.

Statement 10
Form 990-PF, Part I, Line 11(b)
Description of Income

The revenue of $850,341 reported on Part I, line 11(b) of Form 990-PF is the 2011 taxable income reported on the K-1 that the Foundation received as a beneficiary of the estate of Stephen B. Kahn.

Statement 11
Form 990-PF, Part VII-B
Statement Regarding Activities for Which Form 4720 May Be Required

Certain members of the Board were reimbursed for expenses incurred on behalf of the Foundation. The total amount reimbursed was $6,677.

Harald Leventhal and Benita Kline, as individuals, received no payment for serving as an officer (but not a director) of the Organization. However, both are the owners of Leventhal Kline Management, Inc., which provides a full range of management services to the Organization, including accounting, general administrative support, and grant management and administration. The Organization's directors approved payments of $85,397 to Leventhal Kline Management, Inc. for services during 2011.

STATEMENT 12
SUPPLEMENTAL INFORMATION
Arkay Foundation

Reconciliation of Revenue per Audited Financial Statements with Revenue Reported on Form 990-PF, Return of Private Foundation	
Total revenue per audited financial statements	$ 17,185,155
Amounts included in audited financial statements but not included of line 12(a), Form 990-PF	
Net unrealized loss on investments	392,838
Investment management fees	33,624
Provision for federal excise tax	39,189
Total revenue per line 12(a), Form 990-PF	**$ 17,650,806**

Reconciliation of Expenses per Audited Financial Statements with Expenses Reported on Form 990-PF, Return of Private Foundation	
Total expenses per audited financial statements	$ 681,697
Amounts included in the audited financials statements but not included of line 26(a), Form 990-PF	
Investment management fees	33,624
Provision for federal excise tax	39,189
Total expenses per line 26(a), Form 990-PF	**$ 754,509**

Form **8868**
(Rev January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

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

OMB No 1545 1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► ☒
- 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* 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

Enter filer's identifying number, see instructions

Type or print

File by the due date for filing your return See instructions

Name of exempt organization or other filer, see instructions
Arkay Foundation

Employer identification number (EIN) or
☒ 77-0404924

Number, street, and room or suite number If a P O box, see instructions
127 University Avenue

Social security number (SSN)
☐

City, town or post office, state, and ZIP code For a foreign address, see instructions
Berkeley, CA 94710

Enter the Return code for the return that this application is for (file a separate application for each return) 04

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	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 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 ► Leventhal Kline Management

Telephone No. ► 510-841-4123 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 8/15 , 20 12 , to file the exempt organization return for the organization named above The extension is for the organization's return for

► ☒ calendar year 20 11 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**	$ 50,000.
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**	$ 50,000.
c Balance due. 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