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 organization may be able to use a copy of this return to satisfy state reporting requirements.*

OMB No 1545-0052

2005

For calendar year 2005, or tax year beginning JUL 1, 2005 , and ending JUN 30, 2006

G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of organization: KIPP FOUNDATION

A Employer identification number: 94-3362724

Number and street (or P O box number if mail is not delivered to street address): 345 SPEAR STREET — Room/suite: 510

B Telephone number: (415)399-1556

City or town, state, and ZIP code: SAN FRANCISCO, CA 94105-1657

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 ▶ ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 13,162,731.

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

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))

		(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	17,462,006.			
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	85,438.	85,438.	85,438.	STATEMENT 2
	4 Dividends and interest from securities				
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<72.>			STATEMENT 1
	b Gross sales price for all assets on line 6a 1,623.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	621,054.	55,624.	621,054.	STATEMENT 3
	12 **Total.** Add lines 1 through 11	18,168,426.	141,062.	706,492.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	580,059.	0.	0.	580,059.
	14 Other employee salaries and wages	5,102,053.	0.	0.	5,102,053.
	15 Pension plans, employee benefits	583,982.	0.	0.	583,982.
	16a Legal fees STMT 4	95,608.	0.	0.	95,608.
	b Accounting fees STMT 5	145,844.	0.	0.	145,844.
	c Other professional fees STMT 6	1,050,329.	0.	0.	1,050,329.
	17 Interest	64,763.	0.	0.	64,763.
	18 Taxes STMT 7	446,305.	0.	0.	446,305.
	19 Depreciation and depletion	101,855.	0.	0.	
	20 Occupancy	452,123.		0.	452,123.
	21 Travel, conferences, and meetings	2,247,495.	0.	0.	2,247,495.
	22 Printing and publications	437,676.	0.	0.	437,676.
	23 Other expenses STMT 8	4,613,417.	0.	0.	4,613,419.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	15,921,509.	0.	0.	15,819,656.
	25 Contributions, gifts, grants paid	4,002,791.			3,965,005.
	26 **Total expenses and disbursements.** Add lines 24 and 25	19,924,300.	0.	0.	19,784,661.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<1,755,874.>			
	b **Net investment income** (if negative, enter -0-)		141,062.		
	c **Adjusted net income** (if negative, enter -0-)			706,492.	

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LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Form **990-PF** (2005)

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17500512 758661 47000 2005.09001 KIPP FOUNDATION 470002

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	478.	1,135.	1,135.
	2 Savings and temporary cash investments	2,623,558.	7,170,305.	7,170,305.
	3 Accounts receivable ▶ 1,593,891.			
	Less: allowance for doubtful accounts ▶	853,051.	1,593,891.	1,593,891.
	4 Pledges receivable ▶ 2,297,662.			
	Less: allowance for doubtful accounts ▶	7,821,659.	2,297,662.	2,297,662.
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	201,801.	556,015.	556,015.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶ 615,937.			
	Less accumulated depreciation STMT 10▶ 309,320.	187,527.	306,617.	306,617.
	15 Other assets (describe ▶ STATEMENT 11)	1,092,513.	1,237,106.	1,237,106.
	16 Total assets (to be completed by all filers)	12,780,587.	13,162,731.	13,162,731.
Liabilities	17 Accounts payable and accrued expenses	1,577,186.	1,155,777.	
	18 Grants payable	924,653.	2,390,559.	
	19 Deferred revenue	20,000.	368,760.	
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable	1,051,500.	1,700,000.	STATEMENT 12
	22 Other liabilities (describe ▶ CAPITAL LEASE)	0.	96,261.	
	23 Total liabilities (add lines 17 through 22)	3,573,339.	5,711,357.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	55,354.	366,071.	
	25 Temporarily restricted	9,151,894.	7,085,303.	
	26 Permanently restricted			
	Organizations 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, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances	9,207,248.	7,451,374.	
	31 Total liabilities and net assets/fund balances	12,780,587.	13,162,731.	

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	9,207,248.
2 Enter amount from Part I, line 27a	2	<1,755,874.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7,451,374.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,451,374.

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 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a COMPUTERS	P	07/25/04	08/06/05
b COMPUTERS	P	10/07/05	12/31/02
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	1,294.	366.	1,616.	44.
b	329.	1,270.	1,715.	<116.>
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				44.
b				<116.>
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	<72.>
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). 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 organization liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see 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 (col. (b) divided by col. (c))
2004	15,276,161.	1,699,283.	8.989769
2003	11,234,450.	1,554,879.	7.225289
2002	11,996,223.	1,399,161.	8.573869
2001	6,788,636.	2,414,735.	2.811338
2000	1,257,111.	5,401,386.	.232739

2 Total of line 1, column (d)	2	27.833004
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	5.566601
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5	4	1,946,145.
5 Multiply line 4 by line 3	5	10,833,413.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,411.
7 Add lines 5 and 6	7	10,834,824.
8 Enter qualifying distributions from Part XII, line 4	8	20,001,320.

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)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling letter: ______ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b	1	1,411.
c	All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (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	1,411.
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- See Stmt 9	5	0.
6	Credits/Payments:		
a	2005 estimated tax payments and 2004 overpayment credited to 2005	6a	
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	0.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
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	
11	Enter the amount of line 10 to be: **Credited to 2006 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the organization 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 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 organization in connection with the activities.*			
c	Did the organization 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 organization. ▶ $ 0. (2) On organization managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ $ 0.			
2	Has the organization engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the organization 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 organization 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? N/A	4b		
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 organization have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA,IL,NY,TX,CT,DC,GA			
b	If the answer is "Yes" to line 7, has the organization 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 organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2005 or the taxable year beginning in 2005 (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. STMT 13	10	X	
11	Did the organization comply with the public inspection requirements for its annual returns and exemption application?	11	X	

Web site address ▶ HTTP://WWW.KIPP.ORG/

12 The books are in care of ▶ TINA SACHS Telephone no. ▶ 415-874-7387

Located at ▶ 345 SPEAR ST, STE 510, SAN FRANCISCO, CA ZIP+4 ▶ 94105

13 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 ▶ 13 N/A

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 organization (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? ☐ 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 organization 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 page 20 of the instructions)?	1b		X
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c Did the organization 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 2005?	1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a At the end of tax year 2005, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005? ☐ Yes ☒ No			
If "Yes," list the years ▶ ______, ______, ______, ______.			
b Are there any years listed in 2a for which the organization 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.) N/A	2b		
c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______.			
3a Did the organization 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 2005 as a result of **(1)** any purchase by the organization 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 organization had excess business holdings in 2005.)* N/A	3b		
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b Did the organization 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 2005?	4b		X
5a During the year did the organization 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)? ☐ 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)? N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the organization 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 organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		X
If you answered "Yes" to 6b, also file Form 8870.			

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.

(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 15		580,059.	10,962.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
MIKE WRIGHT 345 SPEAR STREET, SUITE 510, SAN FRAN	DIR SCHOOL FINANCE 40.00	126,533.	4,840.	0.
JOHN KANBERG 345 SPEAR STREET, SUITE 510, SAN FRAN	GENERAL COUNSEL 40.00	153,891.	5,889.	0.
DARRELL COBB 345 SPEAR STREET, SUITE 510, SAN FRAN	CHIEF LEARNING OFFICER 40.00	149,609.	5,952.	0.
JEFFREY RUTEL 345 SPEAR STREET, SUITE 510, SAN FRAN	DIR EVAL/INSTRUCTION 40.00	134,643.	5,357.	0.
MARK MEDEMA 345 SPEAR STREET, SUITE 510, SAN FRAN	DIRECTOR 40.00	130,431.	4,982.	0.
Total number of other employees paid over $50,000			▶	48

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
CAMBRIDGE EDUCATION ASSOCIATES DEMETER HOUSE STATION ROAD, CAMBRIDGE, ENGLAND	SCHOOL EVALUATION SERVICES	365,052.
STANFORD UNIVERSITY 520 GALVEZ MALL; CERAS BUILDING, STANFORD, CA	TRAINING FOR SCHOOL LEADER DEVELOPMENT	362,000.
HAAS/EXECUTIVE DEVELOPMENT UNIVERSITY OF CALIFORNIA - BERKELEY, BERKELEY,	TRAINING FOR SCHOOL LEADER DEVELOPMENT	172,237.
SHEA LABAGH DOBBERSTEIN, CPA, INC. 505 MONTGOMERY ST, 5TH FLOOR, SAN FRANCISCO, C	ACCOUNTING SERVICES	81,750.
HOOD & STRONG, LLP 60 SPEAR STREET, SUITE 400, SAN FRANCISCO, CA	AUDIT AND TAX SERVICES	64,094.
Total number of others receiving over $50,000 for professional services	▶	4

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 SEE STATEMENT 14	1,928,000.
2 AS THE CHARTER HOLDER IN TEXAS, KIPP FOUNDATION PROVIDES OVERSIGHT AND FINANCIAL SUPPORT FOR KIPP ASPIRE & KIPP TRUTH CHARTER SCHOOLS.	3,098,104.
3	
4	

Part IX-B Summary of Program-Related Investments

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	
b	Average of monthly cash balances	1b	1,975,782.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,975,782.
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	1,975,782.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	29,637.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,946,145.
6	**Minimum investment return.** Enter 5% of line 5	6	97,307.

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

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2005 from Part VI, line 5 — 2a		
b	Income tax for 2005. (This does not include the tax from Part VI.) — 2b		
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
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	

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	19,784,661.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	216,659.
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	20,001,320.
5	Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,411.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	19,999,909.

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 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2004·				
a Enter amount for 2004 only			0.	
b Total for prior years: _____, _____, _____		0.		
3 Excess distributions carryover, if any, to 2005:				
a From 2000				
b From 2001				
c From 2002				
d From 2003				
e From 2004				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ $ N/A				
a Applied to 2004, 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 2005 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2005 (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 2004. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2005. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2000 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2001				
b Excess from 2002				
c Excess from 2003				
d Excess from 2004				
e Excess from 2005				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2005, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	97,307.	84,964.	77,744.	54,522.	314,537.
b 85% of line 2a	82,711.	72,219.	66,082.	46,344.	267,356.
c Qualifying distributions from Part XII, line 4 for each year listed	20,001,320.	15,276,644.	11,234,728.	11,996,415.	58,509,107.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	20,001,320.	15,276,644.	11,234,728.	11,996,415.	58,509,107.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter: (1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	64,871.	56,643.	51,829.	46,639.	219,982.
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)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

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 page 26 of the 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).)

SEE STATEMENT 16

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 ▶ [X] if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization 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 17				
Total			▶ 3a	3,965,005.
b *Approved for future payment*				
KIPP DREAM, 4610 EAST CROSSTIMBERS STREET, HOUSTON, TX 77016-6337	GRANTEE	501(C)(3)	EDUCATION	7,500.
KIPP INC., 10711 KIPP WAY, HOUSTON, TX 77099-2675	GRANTEE	501(C)(3)	EDUCATION	7,500.
KIPP SUNSHINE PEAK, 375 S. TEJON STREET, DENVER, CO 80223	GRANTEE	501(C)(3)	EDUCATION	36,000.
Total			▶ 3b	51,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a SERVICE FEE					565,430.
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	85,438.	
4 Dividends and interest from securities					
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			01	55,624.	
8 Gain or (loss) from sales of assets other than inventory			18	<72.>	
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)		0.		140,990.	565,430.

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 706,420.

(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 organization's exempt purposes (other than by providing funds for such purposes).
1A	VARIOUS SERVICE FEES RELATED TO THE EXEMPT PURPOSE OF THE ORGANIZATION

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 organization to a noncharitable exempt organization of:			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	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 organization. If the organization 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 organization 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 or fiduciary) is based on all informatio[redacted]

[signature] [redacted]

Signature of officer or trustee [redacted]

Paid Preparer's Use Only

Preparer's signature Susan N Malone [redacted]

Firm's name (or yours if self-employed), address, and ZIP code HOOD & STRONG LLP, CPAS [redacted]
60 SPEAR STREET, SUITE [redacted]
SAN FRANCISCO, CA 94105 [redacted]

523621
01-05-06

17500512 758661 47000 2005.09001 [redacted]

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2005

Name of organization

KIPP FOUNDATION

Employer identification number

94-3362724

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 organizations 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 Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1 509(a)-3/1.170A-9(e) and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II)

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

Caution: *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they* **must** *check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.**

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

523451 02-01-06

Name of organization	Employer identification number
KIPP FOUNDATION	94-3362724

Part I **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	PISCES 1 MARITIME PLAZA, SUITE 1400 SAN FRANCISCO, CA 94111	$ 7,705,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	BROAD FOUNDATION 10900 WILSHIRE BLVD., 12TH FLOOR LOS ANGELES, CA 91124	$ 199,031.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	THE SAN FRANCISCO FOUNDATION 225 BUSH ST., STE.500 SAN FRANCISCO, CA 94104	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	GAP FOUNDATION TWO FOLSOM STREET SAN FRANCISCO, CA 94105	$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	JACK KENT COOKE FOUNDATION 44115 WOODRIDGE PARKWAY, STE 200 LANDSDOWNE, VA 20176	$ 750,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	STEEL HOUSE 1131 EAST 25TH ST. INDIANAPOLIS, IN 46205	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
KIPP FOUNDATION	94-3362724

Part I **Contributors** (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	MARCUS FOUNDATION 2455 PACES FERRY ROAD, SE BUILDING C-21 ATLANTA, GA 30339	$ 200,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
8	PENINSULA COMMUNITY FOUNDATION 1700 SOUTH EL CAMINO REAL, STE 300 SAN MATEO, CA 94402-3049	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
9	COMMUNITY FOUNDATION OF JAKE HOLE P.O. BOX 574 JACKSON, WY 83001	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
10	THE CAPITAL GROUP OF COMPANIES CHARITABLE FOUNDATION 11100 SANTA MONICA BLVD. LOS ANGELES, CA 90025	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
11	LESLIE & WALTER BURLOCK FOUNDATION 120 KEARNEY STREET, SUITE 3300 SAN FRANCISCO, CA 94108	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
12	THE BARI LIPP FOUNDATION 38 PARK RD SCARSDALE, NY 10583	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
KIPP FOUNDATION	94-3362724

Part I **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	HELLMAN FAMILY PHILANTHROPIC FOUNDATION 12 STEUART STREET SAN FRANCISCO, CA 94105	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
14	TONI & ARTHUR ROCK ONE MARITIME PLAZA, SUITE 1220 SAN FRANCISCO, CA 94111-3502	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
15	DANA & ROBERT EMERY 3522 CLAY STREET SAN FRANCISCO, CA 94118	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
16	JOHN FISHER 1 MARITIME PLAZA, STE 1400 SAN FRANCISCO, CA 94111-3504	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
17	STATE FARM COMPANIES ONE STATE FARM PLAZA BLOOMINGTON, IL 61710-0001	$ 27,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
18	MICHAEL & SUSAN DELL FOUNDATION P.O. BOX 163867 AUSTIN, TX 78716-3867	$ 1,354,987.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
KIPP FOUNDATION	94-3362724

Part I **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	KINDER FOUNDATION P.O. BOX 130776 HOUSTON, TX 77219-0776	$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
20	THE WALTON FAMILY FOUNDATION, INC. P.O. BOX 2030 BENTONVILLE, AR 72712-2030	$ 1,095,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
21	STUART FOUNDATION ONE DOCK STREET, SUITE 608 STAMFORD, CT 06902	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
22	VANGUARD CHARITABLE ENDOWMENT PROGRAM P.O. BOX 3075 SOUTHEASTERN, PA 19398-9917	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
23	ROBIN HOOD FOUNDATION 826 BROADWAY NEW YORK, NY 10003	$ 36,376.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
COMPUTERS	PURCHASED	07/25/04	08/06/05

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,294.	1,616.	0.	366.	44.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
COMPUTERS	PURCHASED	10/07/05	12/31/02

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
329.	1,715.	0.	1,270.	<116.>

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	<72.>

FORM 990-PF	INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS	STATEMENT 2

SOURCE	AMOUNT
INTEREST INCOME	85,438.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	85,438.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS	55,624.	55,624.	55,624.
SERVICE FEE	565,430.	0.	565,430.
TOTAL TO FORM 990-PF, PART I, LINE 11	621,054.	55,624.	621,054.

FORM 990-PF LEGAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	95,608.	0.	0.	95,608.
TO FM 990-PF, PG 1, LN 16A	95,608.	0.	0.	95,608.

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	145,844.	0.	0.	145,844.
TO FORM 990-PF, PG 1, LN 16B	145,844.	0.	0.	145,844.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER PROFESSIONAL	1,050,329.	0.	0.	1,050,329.
TO FORM 990-PF, PG 1, LN 16C	1,050,329.	0.	0.	1,050,329.

KIPP FOUNDATION 94-3362724

FORM 990-PF	TAXES	STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL	446,305.	0.	0.	446,305.
TO FORM 990-PF, PG 1, LN 18	446,305.	0.	0.	446,305.

FORM 990-PF	OTHER EXPENSES	STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DESKTOP/NETWORK SUPPORT	155,102.	0.	0.	155,102.
EMPLOYEE RECRUITING & DEVELOPMENT	124,614.	0.	0.	124,614.
SCHOOL LEADER TRAINING FACILITIES	366,897.	0.	0.	366,897.
OTHER EXPENSES	399,375.	0.	0.	399,377.
POSTAGE AND DELIVERY	90,855.	0.	0.	90,855.
TELEPHONE	189,389.	0.	0.	189,389.
SUPPLIES	60,455.	0.	0.	60,455.
EQUIPMENT RENTAL & MAINTENANCE	128,626.	0.	0.	128,626.
CHARTER EXPENSE-KIPP ASPIRE AND TRUTH	3,098,104.	0.	0.	3,098,104.
TO FORM 990-PF, PG 1, LN 23	4,613,417.	0.	0.	4,613,419.

FOOTNOTES STATEMENT 9

ATTACHMENT TO FORM 990-PF, PART VI, LINE 5

60 MONTH TERMINATION PERIOD

THE KIPP FOUNDATION IS IN A 60-MONTH TERMINATION UNDER IRC SECTION 507(B)(1)(B). THE IRS HAS ISSUED A DETERMINATION INDICATING THAT THE KIPP FOUNDATION WILL BE TREATED AS A PUBLIC CHARITY DESCRIBED IN SECTIONS 509(A)(1) AND 170(B)(1)(II) OF THE IRC FOR AN ADVANCE RULING PERIOD OF 60 MONTHS BEGINNING JULY 1, 2002.

ATTACHED TO THIS RETURN IS FORM 872, "CONSENT TO EXTEND TIME TO ASSESS TAX." ACCORDINGLY, THE FOUNDATION IS NOT REQUIRED TO PAY THE EXCISE TAX.

BASED ON THE IRS' INSTRUCTIONS FOR A 60-MONTH TERMINATION PERIOD, THE FOUNDATION IS FILING A RETURN AS IF IT WERE STIL A PRIVATE FOUNDATION.

ATTACHMENT TO FORM 990-PF, PART VII-B, QUESTION 1A(3)

TRANSACTIONS WITH DISQUALIFIED PERSONS

CERTAIN BOARD MEMBERS AND CONTRIBUTORS TO THE FOUNDATION SERVE ON BOTH THE BOARD OF KIPP FOUNDATION AND PISCES FOUNDATION. PISCES IS A TYPE I SUPPORTING ORGANIZATION OF THE SAN FRANCISCO FOUNDATION. THE PISCES FOUNDATION CONTRIBUTED SERVICES OF APPROXIMATELY $315,000 IN THE YEAR ENDED JUNE 30, 2006.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LEASEHOLD IMPROVEMENTS	50,062.	27,155.	22,907.
OFFICE FURNITURE & FIXTURES	185,806.	61,710.	124,096.
COMPUTER EQUIPMENT	360,069.	219,622.	140,447.
SOFTWARE	20,000.	833.	19,167.
TOTAL TO FM 990-PF, PART II, LN 14	615,937.	309,320.	306,617.

FORM 990-PF OTHER ASSETS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DEPOSIT	53,543.	53,543.
NOTES RECEIVABLE	1,183,563.	1,183,563.
TOTAL TO FORM 990-PF, PART II, LINE 15	1,237,106.	1,237,106.

FORM 990-PF OTHER NOTES AND LOANS PAYABLE STATEMENT 12

LENDER'S NAME	TERMS OF REPAYMENT	SECURITY PROVIDED BY BORROWER
WELLS FARGO	INTEREST ONLY UNTIL MATURITY	FIRST PRIORITY INTEREST IN KIPP'S PERSONAL PROPERTY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE	PURPOSE OF LOAN
05/02/05	05/10/06	900,000.	6.50%	LINE OF CREDIT FOR WORKING CAPITAL

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	0.

LENDER'S NAME	TERMS OF REPAYMENT	SECURITY PROVIDED BY BORROWER
RAZA DEVELOPMENT FUND	INTEREST ONLY UNTIL MATURITY	INDIVIDUAL SCHOOLS' PROMISSORY NOTES

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE	PURPOSE OF LOAN
03/15/04	05/01/07	700,000.	6.00%	TO MAKE LOANS TO KIPP SCHOOLS TO FINANCE QUALIFYING REAL ESTATE PROJECTS

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	700,000.

KIPP FOUNDATION 94-3362724

LENDER'S NAME	TERMS OF REPAYMENT	SECURITY PROVIDED BY BORROWER
FIRST REPUBLIC BANK	INTEREST ONLY UNTIL MATURITY	FIRST PRIORITY INTEREST IN KIPP'S PERSONAL PROPERTY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE	PURPOSE OF LOAN
04/21/06	04/30/07	1,000,000.	8.25%	LINE OF CREDIT FOR WORKING CAPITAL

RELATIONSHIP OF LENDER
NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	1,000,000.

TOTAL TO FORM 990-PF, PART II, LINE 21, COLUMN B	1,700,000.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 13
PART VII-A, LINE 10

NAME OF CONTRIBUTOR	ADDRESS
MICHAEL & SUSAN DELL FOUNDATION	P.O. BOX 163867, AUSITN, TX 78716

FORM 990-PF SUMMARY OF DIRECT CHARITABLE ACTIVITIES STATEMENT 14

ACTIVITY ONE

THE KIPP FOUNDATION TRAINS OUTSTANDING TEACHERS AND PROVIDES SUPPORT SERVICES TO A NATIONWIDE NETWORK OF OPEN-ENROLLMENT PUBLIC SCHOOLS (KIPP SCHOOLS). THE MISSION OF THE KIPP SCHOOLS IS TO PROVIDE EDUCATIONALLY UNDERSERVED STUDENTS WITH THE KNOWLEDGE, SKILLS,AND CHARACTER NEEDED TO SUCCEED IN TOP QUALITY HIGH SCHOOLS, COLLEGES AND THE COMPETITIVE WORLD BEYOND.

TO FULFILL ITS MISSION, THE FOUNDATION TRAINS TEACHERS TO BE LEADERS AND TO ESTABLISH NEW KIPP SCHOOLS THROUGH ITS YEAR LONG KIPP SCHOOL LEADERSHIP PROGRAM. THE FOUNDATION ALSO PROVIDES ON-GOING ASSISTANCE, AS WELL AS GRANTS, TO EXISTING KIPP SCHOOLS IN THE AREAS OF PROFESSIONAL DEVELOPMENT, CURRICULUM, INSTRUCTIONAL SUPPORT, SCHOOL OPERATIONS, REAL ESTATE, ADVOCACY, FUNDRAISING AND MARKETING. THE TRAINING INCLUDES:

- A SIX-WEEK INTENSIVE PROGRAM OF COURSEWORK AT STANFORD UNIVERSITY COVERING INSTRUCTIONAL, ORGANIZATIONAL, AND OPERATIONAL LEADERSHIP
- RESIDENCIES TO OBSERVE AND PARTICIPATE IN THE LEADERSHIP AND OPERATION OF HIGH-PERFORMING KIPP SCHOOLS AND
- SEVERAL TRAINING CONFERENCES LED BY KIPP STAFF AND PROFESSIONALS OUTSIDE OF THE KIPP FOUNDATION.

IN THE 2006 FISCAL YEAR, 7 LEADERS COMPLETED THE KIPP SCHOOL LEADERSHIP PROGRAM AND OPENED 7 NEW SCHOOLS IN THE FALL OF 2006, RESULTING IN A TOTAL OF 52 SCHOOLS IN THE KIPP NETWORK. KIPP SCHOOLS NOW SERVE 12,000 STUDENTS IN UNDER-RESOURCED COMMUNITIES.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1	1,928,000.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 15

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD G. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR/CHAIRMAN 1.00	0.	0.	0.
DORIS F. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
MICHAEL H. FEINBERG 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
DAVID LEVIN 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
SHAWN HURWITZ 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
JOHN J. FISHER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
TRACY MCDANIEL 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
WENDY KOPP 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	DIRECTOR 1.00	0.	0.	0.
RICHARD BARTH 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CEO 40.00	244,071.	5,000.	0.
MICHAEL BUERGER 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CFO 40.00	36,501.	1,212.	0.
MARIE WASHINGTON 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	CFO 40.00	113,542.	4,750.	0.

RICHARD GREEN 345 SPEAR STREET, SUITE 510 SAN FRANCISCO, CA 94105	COO 40.00	185,945.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		580,059.	10,962.	0.

FORM 990-PF PART XV - LINE 1A STATEMENT 16

LIST OF FOUNDATION MANAGERS

NAME OF MANAGER

DONALD G. FISHER
DORIS F. FISHER

FORM 990-PF GRANTS AND CONTRIBUTIONS STATEMENT 17

PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RECIPIENT STATUS	PURPOSE OF GRANT	RECIPIENT RELATIONSHP	AMOUNT
KIPP ACADEMY OF OPPORTUNITY 7019 S. VAN NESS AVENUE, LOS ANGELES, CA 90047	501(C)(3)	EDUCATION	GRANTEE	250,847.
KIPP NOW ACADEMY 3000 TRULLEY ST, HOUSTON, TX 77004-1743	501(C)(3)	EDUCATION	GRANTEE	7,498.
THE KIPP: METRO ATLANTA COLLABORATIVE 80 JOSEPH E. LOWERY BLVD., ATLANTA, GA 30314	501(C)(3)	EDUCATION	GRANTEE	16,505.
KIPP STAR COLLEGE PREPARATORY 433 W. 123RD STREET, NEW YORK, NY 10027-5002	501(C)(3)	EDUCATION	GRANTEE	64,200.
KIPP PRIDE HIGH SCHOOL 320 PLEASANT HILL ROAD, GASTON, NC 37832-9511	501(C)(3)	EDUCATION	GRANTEE	195,120.

KIPP INC. 10711 KIPP WAY, HOUSTON, TX 77099-2675	501(C)(3)	EDUCATION	GRANTEE	260,000.
KIPP DC: KEY ACADEMY 910 17TH ST. NW, SUITE 1050, WASHINGTON, DC 20006	501(C)(3)	EDUCATION	GRANTEE	133,271.
KIPP HEARTWOOD ACADEMY 1250 S. KING ROAD, SAN JOSE, CA 95122-2146	501(C)(3)	EDUCATION	GRANTEE	143,782.
KIPP LEAD COLLEGE PREPARATORY CHARTER SCHOOL 150 WEST 15TH AVENUE, GARY, IN 46407	501(C)(3)	EDUCATION	GRANTEE	6,025.
KIPP REACH 1901 NE 13TH STREET, OKLAHOMA CITY, OK 73117-3613	501(C)(3)	EDUCATION	GRANTEE	225,000.
KIPP GASTON COLLEGE PREPARATORY 320 PLEASANT HILL ROAD, GASTON, NC 37832-9511	501(C)(3)	EDUCATION	GRANTEE	79,450.
KIPP BAYVIEW ACADEMY 1060 KEY AVENUE, SAN FRANCISCO, CA 94124-3563	501(C)(3)	EDUCATION	GRANTEE	121,989.
KIPP LA COLLEGE PREP 1855 NORTH MAIN STREET, LOS ANGELES, CA 90031-3227	501(C)(3)	EDUCATION	GRANTEE	371,371.
KIPP ADELANTE COLLEGE PREP 1475 SIXTH AVENUE, 2ND FLOOR, SAN DIEGO, CA 92115	501(C)(3)	EDUCATION	GRANTEE	104,560.
KIPP SUMMIT ACADEMY 2005 VIA BARRETT, SAN LORENZO, CA 94580-1315	501(C)(3)	EDUCATION	GRANTEE	58,887.

KIPP BRIDGE ACADEMY 991 14TH STREET, OAKLAND, CA 94607-3230	501(C)(3)	EDUCATION	GRANTEE	105,249.
KIPP WAYS ACADEMY 80 JOSEPH E. LOWERY BLVD., ATLANTA, GA 30314	501(C)(3)	EDUCATION	GRANTEE	129,582.
KIPP ACADEMY FRESNO 2445 WEST DAKOTA AVENUE, FRESNO, CA 93705-2611	501(C)(3)	EDUCATION	GRANTEE	85,852.
KIPP DC 910 17TH ST. NW, SUITE 1050, WASHINGTON, DC 20006	501(C)(3)	EDUCATION	GRANTEE	125,000.
KIPP DC: AIM ACADEMY 910 17TH ST. NW, SUITE 1050, WASHINGTON, DC 20006	501(C)(3)	EDUCATION	GRANTEE	110,155.
KIPP ASCEND CHARTER SCHOOL 715 S. KILDARE AVENUE, CHICAGO, IL 60624	501(C)(3)	EDUCATION	GRANTEE	99,712.
KIPP PHILADELPHIA CHARTER SCHOOL 2709 NORTH BROAD STREET, 4TH FLOOR, PHILADELPHIA, PA 19132-2722	501(C)(3)	EDUCATION	GRANTEE	130,963.
KIPP AUSTIN COLLEGE PREP 8509 FM 969, BUILDING C, AUSTIN, TX 8724-5720	501(C)(3)	EDUCATION	GRANTEE	142,657.
KIPP HOUSTON HIGH SCHOOL 10711 KIPP WAY, HOUSTON, TX 77099-2675	501(C)(3)	EDUCATION	GRANTEE	110,000.
KIPP ASHEVILLE YOUTH ACADEMY 90 MONTFORD AVENUE, ASHEVILLE, NC 28801	501(C)(3)	EDUCATION	GRANTEE	57,885.

KIPP SUNSHINE PEAK 375 S. TEJON STREET, DENVER, CO 80223	501(C)(3)	EDUCATION	GRANTEE	56,591.
KIPP SF BAY ACADEMY 1430 SCOTT STREET, SAN FRANCISCO, CA 94115-3510	501(C)(3)	EDUCATION	GRANTEE	75,488.
KIPP ACHIEVE COLLEGE PREPARATORY 1757 MARY DELL DRIVE, ATLANTA, GA 30316	501(C)(3)	EDUCATION	GRANTEE	63,292.
KIPP SAC PREPARATORY 7485 RUSH RIVER DRIVE, SUITE 710, PMB 121, SACRAMENTO, CA 95831	501(C)(3)	EDUCATION	GRANTEE	15,030.
TEAM ACADEMY: A KIPP SCHOOL 85 CUSTER AVENUE, NEWARK, NJ 07112	501(C)(3)	EDUCATION	GRANTEE	14,590.
KIPP CHICAGO YOUTH VILLAGE ACADEMY 2710 SOUTH DEARBORN, 2ND FLOOR, CHICAGO, IL 60616	501(C)(3)	EDUCATION	GRANTEE	67,154.
FREEDOM ACADEMY 1400 COLLINGS ROAD, CAMDEN, NJ 08104	501(C)(3)	EDUCATION	GRANTEE	8,150.
KIPP DIAMOND ACADEMY 2109 HOWELL, MEMPHIS, TN 38108	501(C)(3)	EDUCATION	GRANTEE	16,300.
KIPP SANKOFA CHARTER SCHOOL 140 CENTRAL PARK PLAZA, BUFFALO, NY 14214-2235	501(C)(3)	EDUCATION	GRANTEE	32,150.
KIPP ACADEMY NY 250 EAST 156TH STREET, RM.418, NEW YORK, NY 10451-4722	501(C)(3)	EDUCATION	GRANTEE	50,000.

KIPP HARBOR ACADEMY 135 STENEY LANE, EDGEWATER, MD 21037	501(C)(3)	EDUCATION	GRANTEE	24,478.
KIPP UJIMA VILLAGE ACADEMY 4701 GREENSPRING AVE, RM. 115, BALTIMORE, MD 21209-4704	501(C)(3)	EDUCATION	GRANTEE	49,871.
KIPP SOUTH FULTON ACADEMY 1286 EAST WASHINGTON AVENUE, EAST POINT, GA 30344	501(C)(3)	EDUCATION	GRANTEE	74,200.
KIPP ACADEMY NASHVILLE 123 DOUGLAS AVENUE, NASHVILLE, TN 37207-5155	501(C)(3)	EDUCATION	GRANTEE	36,266.
KIPP DELTA COLLEGE PREPARATORY 215 CHERRY STREET, HELENA, AR 72342-3503	501(C)(3)	EDUCATION	GRANTEE	67,910.
KIPP ACADEMY LYNN 25 BESSOM STREET, LYNN, MA 01902-1204	501(C)(3)	EDUCATION	GRANTEE	50,000.
KIPP INDIANAPOLIS COLLEGE PREPARATORY 1740 EAST 30TH STREET, INDIANAPOLIS, IN 46218-2605	501(C)(3)	EDUCATION	GRANTEE	39,762.
KIPP TULSA COLLEGE PREPARATORY 1661 E. VIRGIN STREET, TULSA, OK 74106-5552	501(C)(3)	EDUCATION	GRANTEE	25,000.
KIPP A.M.P. ACADEMY 250 EAST 156TH STREET, RM.418, NEW YORK, NY 10451-4722	501(C)(3)	EDUCATION	GRANTEE	25,000.

KIPP INFINITY CHARTER SCHOOL 625 WEST 133RD STREET, 3RD FLOOR, NEW YORK, NY 10027-7303	501(C)(3)	EDUCATION	GRANTEE	25,000.
KIPP DIAMOND ACADEMY 2109 HOWELL, MEMPHIS, TN 38108	501(C)(3)	EDUCATION	GRANTEE	2,107.
KIPP REACH 1901 NE 13TH STREET, OKLAHOMA CITY, OK 73117-3613	501(C)(3)	EDUCATION	GRANTEE	1,757.
KIPP SOUTH FULTON ACADEMY 1286 EAST WASHINGTON AVENUE, EAST POINT, GA 30344	501(C)(3)	EDUCATION	GRANTEE	2,186.
KIPP UJIMA VILLAGE ACADEMY 4701 GREENSPRING AVE, RM. 115, BALTIMORE, MD 21209-4704	501(C)(3)	EDUCATION	GRANTEE	943.
KIPP HEARTWOOD ACADEMY 2100 KAMMERER AVENUE, SAN JOSE, CA 95116	501(C)(3)	EDUCATION	GRANTEE	6,220.
TOTAL TO FORM 990-PF, PART XV, LINE 3A				3,965,005.

Form 8868 (Rev. December 2004)
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 ▶ [X]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit *www.irs.gov/efile*.

Type or print	Name of Exempt Organization	Employer identification number
	KIPP FOUNDATION	94-3362724
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 345 SPEAR STREET, NO. 510	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94105-1657	

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

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ MARIE WASHINGTON
  Telephone No. ▶ 415-399-1556 FAX No. ▶
- If the organization does **not** have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) ____. If this is for the **whole** group, check this box ▶ [ ]. If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until FEBRUARY 15, 2007.
to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [ ] calendar year ____ or
▶ [X] tax year beginning JUL 1, 2005, and ending JUN 30, 2006.

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions $ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit $ 0.

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions $ 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.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.** Form **8868** (Rev 12-2004)

523831 05-01-05

- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II — Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return See instructions	Name of Exempt Organization KIPP FOUNDATION	Employer identification number 94-3362724
	Number, street, and room or suite no. If a P.O box, see instructions. 345 SPEAR STREET, NO. 510	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94105-1657	

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

[ ] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [X] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ MARIE WASHINGTON
  Telephone No ▶ 415-399-1556 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.

4 I request an additional 3-month extension of time until MAY 15, 2007.

5 For calendar year ______, or other tax year beginning JUL 1, 2005 and ending JUN 30, 2006.

6 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
THE TAXPAYER'S AFFAIRS ARE QUITE COMPLEX, AND ADDITIONAL TIME IS NEEDED TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a 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 $ 0.

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 and any amount paid previously with Form 8868 $ 0.

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions $ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Susan M Mator Title ▶ CPA Date ▶ 2/13/07

Notice to Applicant - To Be Completed by the IRS

[ ] We **have** approved this application. Please attach this form to the organization's return.

[ ] We **have not** approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

[ ] We **have not** approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

[ ] We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.

[ ] Other

By: ______

Director Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	
	Name HOOD & STRONG LLP, CPAS
	Number and street (include suite, room, or apt. no.) or a P.O. box number 60 SPEAR STREET, SUITE 400
523832 05-01-05	**City or town, province or state, and country (including postal or ZIP code)** SAN FRANCISCO, CA 94105