

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service(77)

G The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning , 2007, and ending ,

- B Check if applicable:
- Address change
 - Name change
 - Initial return
 - Termination
 - Amended return
 - Application pending

C Please use IRS label or print or type. See specific instructions.
Applied Research Center
900 Alice Street #400
Oakland, CA 94607

D Employer Identification Number
94-2759879

E Telephone number
510-653-3415

F Accounting method: Cash Accrual
 Other (specify) **G**

? Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? . . . Yes No

H (b) If 'Yes,' enter number of affiliates. **G**

H (c) Are all affiliates included? Yes No
(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: **G www.arc.org**

J Organization type (check only one) **G** 501(c) **3** H (insert no.) 4947(a)(1) or 527

K Check here **G** if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number . . . **G**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **G 4,567,120.**

M Check **G** if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

REVENUE	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b	1,282,751.		
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ 1,282,751. noncash \$)	1e			1,282,751.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			309,126.
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			133,911.
	5 Dividends and interest from securities	5			
	6a Gross rents	6a			
	b Less: rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe: G)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	2,839,421.	8a			
	b Less: cost or other basis and sales expenses	2,879,580.	8b		
	c Gain or (loss) (attach schedule) Statement 1	-40,159.	8c		
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			-40,159.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here . . . G <input type="checkbox"/>					
a Gross revenue (not including \$ of contributions reported on line 1b)	9a				
b Less: direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c				
10a Gross sales of inventory, less returns and allowances	10a				
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11 Other revenue (from Part VII, line 103)	11			1,911.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			1,687,540.	
EXPENSES	13 Program services (from line 44, column (B))	13		1,679,840.	
	14 Management and general (from line 44, column (C))	14		517,344.	
	15 Fundraising (from line 44, column (D))	15		273,545.	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			2,470,729.
18 Excess or (deficit) for the year. Subtract line 17 from line 12	18			-783,189.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			3,772,920.	
20 Other changes in net assets or fund balances (attach explanation) See Statement 2	20			54,961.	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			3,044,692.	

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See *instruct.*)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... G <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) See Stmt 3 (cash \$ 10,000. non-cash \$ _____) If this amount includes foreign grants, check here... G <input type="checkbox"/>	22b	10,000.	10,000.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	168,327.	49,237.	66,908.	52,182.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	51,793.	51,793.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	947,905.	609,970.	202,242.	135,693.
27 Pension plan contributions not included on lines 25a, b, and c	27	34,015.	22,318.	6,987.	4,710.
28 Employee benefits not included on lines 25a - 27	28	163,804.	96,080.	43,238.	24,486.
29 Payroll taxes	29	93,785.	56,396.	21,828.	15,561.
30 Professional fundraising fees	30				
31 Accounting fees	31	7,383.		7,383.	
32 Legal fees	32	2,323.		2,323.	
33 Supplies	33	45,154.	28,706.	15,985.	463.
34 Telephone	34	58,577.	49,848.	8,115.	614.
35 Postage and shipping	35	44,072.	38,216.	5,325.	531.
36 Occupancy	36	138,215.	97,227.	39,016.	1,972.
37 Equipment rental and maintenance	37	12,126.	7,911.	4,035.	180.
38 Printing and publications	38	93,379.	81,852.	7,254.	4,273.
39 Travel	39	225,228.	196,172.	9,520.	19,536.
40 Conferences, conventions, and meetings	40	29,366.	16,696.	12,191.	479.
41 Interest	41	2,977.		2,977.	
42 Depreciation, depletion, etc (attach schedule)	42	28,030.	9,112.	18,581.	337.
43 Other expenses not covered above (itemize):					
a <u>Dues and Memberships</u>	43a	16,216.	11,326.	4,386.	504.
b <u>Insurance</u>	43b	9,246.	4,742.	4,328.	176.
c <u>Marketing and Publicity</u>	43c	25,084.	18,614.	966.	5,504.
d <u>Professional fees</u>	43d	253,721.	217,475.	29,902.	6,344.
e <u>Staff Development</u>	43e	10,003.	6,149.	3,854.	
f _____	43f				
g _____	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,470,729.	1,679,840.	517,344.	273,545.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? G <u>See Statement 4</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>See Statement 5</u> ----- ----- ----- (Grants and allocations \$ <u>10,000.</u>) If this amount includes foreign grants, check here G <input type="checkbox"/>	1,679,840.
b ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here G <input type="checkbox"/>	
c ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here G <input type="checkbox"/>	
d ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here G <input type="checkbox"/>	
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here G <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) G	1,679,840.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
ASSETS	45 Cash * non-interest-bearing		45
	46 Savings and temporary cash investments	946,246.	46 285,242.
	47a Accounts receivable	47a 88,560.	
	b Less: allowance for doubtful accounts	47b	47c 88,560.
	48a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	
	49 Grants receivable		49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b
	51a Other notes and loans receivable (attach schedule)	51a See St. 6 107,865.	
	b Less: allowance for doubtful accounts	51b	51c 107,865.
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	3,000.	53
	54a Investments * publicly-traded securities	54a Stmt 7 G <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV 2,637,745.	54a 1,269,006.
b Investments * other securities (attach sch)	54b G <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
55a Investments * land, buildings, & equipment: basis	55a	55c	
b Less: accumulated depreciation (attach schedule)	55b		
56 Investments * other (attach schedule)		56	
57a Land, buildings, and equipment: basis	57a 1,496,212.		
b Less: accumulated depreciation (attach schedule)	57b Statement 8 147,292.	57c 74,909.	
58 Other assets, including program-related investments (describe G <u>See Statement 9</u>)		58 47,968.	
59 Total assets (must equal line 74). Add lines 45 through 58		59 3,868,733.	
LIABILITIES	60 Accounts payable and accrued expenses	29,276.	60 26,818.
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63
	64a Tax-exempt bond liabilities (attach schedule)		64a
	b Mortgages and other notes payable (attach schedule)	64b See Statement 10 66,537.	64b 68,911.
	65 Other liabilities (describe G		65
66 Total liabilities. Add lines 60 through 65		66 95,813.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here G <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	3,207,420.	67 2,846,775.
	68 Temporarily restricted	565,500.	68 197,917.
	69 Permanently restricted		69
	Organizations that do not follow SFAS 117, check here G <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	3,772,920.	73 3,044,692.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	3,868,733.	74 3,140,421.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	N/A
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	
d	Amounts included on Part I, line 12, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	G e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities	b1	
	2 Prior year adjustments reported on Part I, line 20	b2	
	3 Losses reported on Part I, line 20	b3	
	4 Other (specify): _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b	d1	
	2 Other (specify): _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	G e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 plans	(E) Expense account and other allowances
See Statement 11		151,020.	17,307.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ... G 13			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization'	75c		X
If 'Yes,' attach a statement that includes the information described in the instructions.			
d Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)				
(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
Gary Delgado 4057 Whittle Ave Oakland, CA 94602	0.	51,793.	0.	0.

Part VI Other Information <i>(See the instructions.)</i>		Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS?	77		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? ...	78a		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.	79		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?	80a	X	
b If 'Yes,' enter the name of the organization G Equity Action			
and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a		0.
b Did the organization file Form 1120-POL for this year?	81b		X

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
	b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	N/A	
86 a		N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	N/A	
87 a		N/A	
87 b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
88 b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 G <u>0.</u> ; section 4912 G <u>0.</u> ; section 4955 G <u>0.</u>		
89 b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	G	0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization	G	0.
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed G <u>CA</u>		
	b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90 b	27
91 a	The books are in care of G <u>Applied Research Center</u> Telephone number G <u>510-653-3415</u> Located at G <u>900 Alice Street, Ste. 400 Oakland CA</u> ZIP + 4 G <u>94607</u>		
91 b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	If 'Yes,' enter the name of the foreign country G _____		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c Yes No

If 'Yes,' enter the name of the foreign country **G** _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041* Check here. N/A **G**

and enter the amount of tax-exempt interest received or accrued during the tax year. **G** 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Fees and Contracts					159,293.
b Registration/Tickets					96,411.
c Sales and Royalties					53,422.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts.			14	133,911.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-40,159.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b Miscellaneous			1	1,911.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				95,663.	309,126.
105 Total (add line 104, columns (B), (D), and (E))				G 404,789.	

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No. F	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
	See Statement 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a 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? Yes No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. *Complete only if the organization is a controlling organization as defined in section 512(b)(13).*

	Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please 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 officer) is based on all information of which preparer has any knowledge.	
	G _____ Signature of officer	_____ Date
	G _____ Type or print name and title.	

Paid Preparer's Use Only	Preparer's signature G _____	Date	Check if self-employed G <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X)
	Firm's name (or yours if self-employed), address, and ZIP + 4 G <u>Crosby & Kaneda, CPAs</u> <u>1611 Telegraph Ave Ste 318</u> <u>Oakland, CA 94612-2151</u>	EIN G <u>94-3243888</u>	Phone no. G <u>(510) 835-2727</u>	

BAA

Organization Exempt Under
Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information (See separate instructions.)

G MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization

Employer identification number

Applied Research Center

94-2759879

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are 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 and other allowances
See Statement 13		174,794.	31,878.	0.
Total number of other employees paid over \$50,000	G 0			

Part II A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services	G 0	

Part II B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services	G 0	

Part III Statements About Activities (See instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities G \$ <u>32,469.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	X	
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
See Statement 14			
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.		X
b	Did the organization make any taxable distributions under section 4966?		N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d	Enter the total number of donor advised funds owned at the end of the tax year G _____		N/A
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year G _____		N/A
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts G _____		0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year G _____		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state G _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions ' subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: G
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					G 0.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)..... G	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	1,750,379.	1,118,191.	1,454,808.	517,313.	4,840,691.
16 Membership fees received.....					0.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc. purpose.....	230,039.	521,581.	290,557.	676,838.	1,719,015.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975...	151,461.	2,669.	104,026.	171,119.	429,275.
19 Net income from unrelated business activities not included in line 18.....					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.....					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.....					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt. 15	991.				991.
23 Total of lines 15 through 22....	2,132,870.	1,642,441.	1,849,391.	1,365,270.	6,989,972.
24 Line 23 minus line 17.....	1,902,831.	1,120,860.	1,558,834.	688,432.	5,270,957.
25 Enter 1% of line 23.....	21,329.	16,424.	18,494.	13,653.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24..... G					26a 105,419.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts..... G					26b 1,905,567.
c Total support for section 509(a)(1) test: Enter line 24, column (e)..... G					26c 5,270,957.
d Add: Amounts from column (e) for lines: 18 429,275. 19 22 991. 26b 1,905,567.					26d 2,335,833.
e Public support (line 26c minus line 26d total)..... G					26e 2,935,124.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))..... G					26f 55.68 %
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total..... and line 27b total.....					27d _____
e Public support (line 27c total minus line 27d total)..... G					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e).... G					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))..... G					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))..... G					27h _____ %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
	d Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
	a Students' rights or privileges?		
	b Admissions policies?		
	c Employment of faculty or administrative staff?		
	d Scholarships or other financial assistance?		
	e Educational policies?		
	f Use of facilities?		
	g Athletic programs?		
	h Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
	b Has the organization's right to such aid ever been revoked or suspended?		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

Check G a if the organization belongs to an affiliated group. Check G b if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations																						
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	19,481.																						
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	12,988.																						
38	Total lobbying expenditures (add lines 36 and 37)	38 0.	32,469.																						
39	Other exempt purpose expenditures	39	2,438,260.																						
40	Total exempt purpose expenditures (add lines 38 and 39)	40 0.	2,470,729.																						
41	Lobbying nontaxable amount. Enter the amount from the following table ' <table border="1" style="margin-left: 20px;"> <tr> <td>If the amount on line 40 is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table> </td> <td>The lobbying nontaxable amount is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table> </td> </tr> </table>	If the amount on line 40 is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	The lobbying nontaxable amount is ' <table border="1" style="margin-left: 20px;"> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	273,536.
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42	Grassroots nontaxable amount (enter 25% of line 41)	42 0.	68,384.																						
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43 0.	0.																						
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44 0.	0.																						

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) G	Lobbying Expenditures During 4 -Year Averaging Period					
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total	
45	Lobbying nontaxable amount	273,536.	246,524.	232,346.	233,193.	985,599.
46	Lobbying ceiling amount (150% of line 45(e))					1,478,399.
47	Total lobbying expenditures	32,469.	238,359.	14,301.		285,129.
48	Grassroots non-taxable amount	68,384.	61,631.	58,087.	58,298.	246,400.
49	Grassroots ceiling amount (150% of line 48(e))					369,600.
50	Grassroots lobbying expenditures	19,481.	59,590.	5,984.		85,055.

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h.)			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

PUBLIC DISCLOSURE COPY
Schedule of Contributors

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

2007

Name of organization

Applied Research Center

Employer identification number

94-2759879

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust not treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule. (Note: *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule* - see instructions.)

General Rule '

For 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 of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) 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.) G \$ _____

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).*

BAA 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) (2007)

Name of organization

Employer identification number

Applied Research Center

94-2759879

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	----- ----- -----	\$ <u>270,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	----- ----- -----	\$ <u>80,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	----- ----- -----	\$ <u>40,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>	----- ----- -----	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>	----- ----- -----	\$ <u>40,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>	----- ----- -----	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

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Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>7</u>	----- ----- -----	\$ <u>75,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>8</u>	----- ----- -----	\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>9</u>	----- ----- -----	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

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Part II Noncash Property (See Specific Instructions.)

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

Name of organization

Employer identification number

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Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating 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.) **G\$** **N/A**

(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

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Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 2,839,421.
Cost or Other Basis: 2,879,580.

Total Gain (Loss) Publicly Traded Securities \$ -40,159.

Total Net Gain (Loss) From Noninventory Sales \$ -40,159.

Statement 2
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Unrealized gain on investments in publicly traded securities \$ 54,961.
Total \$ 54,961.

Statement 3
Form 990, Part II, Line 22b
Other Grants and Allocations

Cash Grants and Allocations

Class of Activity: Film Production
Donee's Name: Brian Palmer
Donee's Address: 224 Lincoln Place 1B
Brooklyn, NY 11217

Amount Given: \$ 10,000.

Total Grants and Allocations \$ 10,000.

Statement 4
Form 990, Part III
Organization's Primary Exempt Purpose

Research on racial and social justice.

Statement 5
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
<p>A. Racial Justice Leadership Institute The Racial Justice Leadership Institute (RJLI) combines leadership development and education with strategic planning that focuses on advancing racial justice. In 2007 the work of the RJLI included direct, hands-on training as well as the development of interactive educational materials in collaboration with more than 62 organizations across the United States. In addition, the RJLI program coordinated ARC's annual national conference, now called Facing Race, in New York City with over 600 participants.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		200,457.
<p>B. Journalism Through our Journalism program, ARC publishes various platforms for challenging points-of-view and improving the breadth and depth of media coverage on racial justice issues across the nation. Our signature publication, ColorLines, currently in its 11th year of publication, reads between the lines to provide sharp political analysis, provocative explorations of popular culture and insightful coverage of social change efforts. The journalistic contributions of the magazine have been recognized widely and, in 2007, won first place in the General Excellence category of the Utne Independent Press Awards. RaceWire.org, the ColorLines blog, is updated daily and provides a means for ColorLines to communicate with its readers between and beyond its print issues.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		338,421.
<p>C. Communications The Communications Program has greatly expanded ARC's outreach and racial justice messaging capacity. In 2007, ARC continued to expand our mobilization capacity with articles, blogs and multimedia presentations now available on our web sites: arc.org, colorlines.com and racewire.org. Visitors to the web sites can watch and listen to our latest digital video and audio featuring the people and policies redefining racial justice around the country.</p> <p style="text-align: right;">Includes Foreign Grants: No</p>		529,129.
<p>D. Strategic Research and Public Policy Strategic Research produces reports and policy analysis to focus on equitable outcomes in communities of color. Through these efforts ARC produces reliable, relevant, and accessible research that constructs the analytical foundation for racial justice efforts across the nation. ARC released the Racial Justice Legislative Report Cards in California, Illinois and Minnesota using ARC's evaluation tool to measure the impact of public policies in communities of color. The release of the three report cards was coordinated with local and national media outreach, opinion pieces and local organizing efforts of groups in each state, ensuring that thousands of advocates and elected officials have been exposed to our work on race and public policy</p>		275,693.

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Statement 5 (continued)
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
Includes Foreign Grants: No		
E. Fiscal Sponsorship In keeping with ARC's mission, the Fiscal Sponsorship program provides assistance for new projects through infrastructure support and grants for research or educational purposes.	10,000.	336,140.
Includes Foreign Grants: No		
	<u>\$ 10,000.</u>	<u>\$ 1,679,840.</u>

Statement 6
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

Notes and Loans Reported Separately	Balance Due	Doubtful Accounts Allowance
Borrower's Name: Critical Ventures Housing II		
Borrower's Title:		
Date of Note:		
Maturity Date: 8/31/2011		
Repayment Terms: Monthly payments of \$833		
Interest Rate: 10.00%		
Security Provided: Unsecured		
Purpose of Loan:		
Borrower Relationship:		
Consideration:		
Consideration FMV:		
Original Amount:		
Balance Due:	\$ 100,000.	
Doubtful Acct. Allow.:		\$ 0.
Borrower's Name: Equity Action		
Borrower's Title:		
Date of Note:		
Maturity Date: 12/01/2008		
Repayment Terms:		
Interest Rate: 1.00%		
Security Provided: Future donations		
Purpose of Loan: Formation costs		
Borrower Relationship: Affiliated 501(c)(4) org.		
Consideration:		
Consideration FMV:		
Original Amount:		
Balance Due:	\$ 7,865.	
Doubtful Acct. Allow.:		\$ 0.
Total Notes and Loans Reported Separately	<u>\$ 107,865.</u>	<u>\$ 0.</u>

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Statement 6 (continued)
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

Total Net Receivables \$ 107,865.

Statement 7
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Amount</u>
	Market Value	\$ 1,269,006.
	Total	\$ <u>1,269,006.</u>
	Publicly Traded Securities	\$ <u>1,269,006.</u>

Statement 8
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>
Machinery and Equipment	\$ 170,869.	\$ 132,760.	\$ 38,109.
Buildings	1,325,343.	14,532.	1,310,811.
Total	<u>\$ 1,496,212.</u>	<u>\$ 147,292.</u>	<u>\$ 1,348,920.</u>

Statement 9
Form 990, Part IV, Line 58
Other Assets

Deposits	\$ 40,828.
Total	<u>\$ 40,828.</u>

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Statement 10
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Lender's Name:	Sisters of Loretto		
Maturity Date:	9/30/2012		
Repayment Terms:	Monthly payments of \$920		
Interest Rate:	2.00%		
Security Provided:	Unsecured		
Balance Due:		\$	68,911.
		Total	<u>\$ 68,911.</u>

Statement 11
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Baishali Rinku Sen 900 Alice St. #400 Oakland, CA 94607	President / ED 40.00	\$ 82,174.	\$ 10,408.	\$ 0.
Sonia Pena 900 Alice St. #400 Oakland, CA 94607	Associate Dir. 40.00	68,846.	6,899.	0.
Susan Colson 900 Alice St. #400 Oakland, CA 94607	Board Chair 1.00	0.	0.	0.
Francis Calpotura 900 Alice St. #400 Oakland, CA 94607	Sec. /Treasurer 1.00	0.	0.	0.
Deepak Bhargava 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Victor Goode 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
LeeAnn Hall 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Carol Pencke 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.

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Statement 11 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Omwale Satterwhite 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	\$ 0.	\$ 0.	\$ 0.
Charlene Sinclair 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Esmeralda Simmons 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Marcia Smith 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Dorian Warren 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Andrea Batista-Schlesinger 900 Alice St. #400 Oakland, CA 9460	Board Member 1.00	0.	0.	0.
	Total	<u>\$ 151,020.</u>	<u>\$ 17,307.</u>	<u>\$ 0.</u>

Statement 12
Form 990, Part VIII
Relationship of Activities to the Accomplishment of Exempt Purposes

<u>Line #</u>	<u>Explanation of Activities</u>
93a	ARC occasionally contracts at below cost to perform research for allied organizations on topics which advance ARC's exempt purposes of combating racism and social injustice.
93b	ARC conducts trainings and conferences to educate the public about the racial dimensions of societal issues. Registration fees are below cost.
93c	ARC publishes reports and ColorLines magazine, a journal that educates the public on how race and societal justice operate in the real world. It does so in a non-commercial manner at substantially below cost.

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Statement 13
Schedule A, Part I
Compensation of Five Highest Paid Employees

<u>Name and Address</u>	<u>Title & Average Hours Worked</u>	<u>Compen- sation</u>	<u>Contri but. EBP & DC</u>	<u>Expense Account</u>
Alfredo De Avila 900 Alice St, Ste 400 Oakland, CA 94607	Sr. Researcher 40.00	60,926.	12,649.	0.
Terrence Keleher 900 Alice St, Ste 400 Oakland, CA 94607	Midwest Dir. 40.00	57,490.	13,154.	0.
Tammy Johnson 900 Alice St, Ste 400 Oakland, CA 94607	RAPP Director 40.00	56,378.	6,075.	0.
	Total	<u>\$ 174,794.</u>	<u>\$ 31,878.</u>	<u>\$ 0.</u>

Statement 14
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

Former Executive Director, Gary Delgado, was paid \$51,973 for consulting services.

Secretary / Treasurer, Francis Calpotura, was paid \$26,957 as the TIGRA Director, not for his services on the board of directors.

ARC reimburses reasonable and actual expenses of Directors, Officers, and Key Employees, when requested, on a timely basis, under an accountable plan.

See also Form 990 Pt. V

Statement 15
Schedule A, Part IV-A, Line 22
Other Income

<u>Description</u>	<u>(a) 2006</u>	<u>(b) 2005</u>	<u>(c) 2004</u>	<u>(d) 2003</u>	<u>(e) Total</u>
Miscellaneous	\$ 991.	\$ 0.	\$ 0.	\$ 0.	\$ 991.
Total	<u>\$ 991.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 991.</u>

TAXABLE YEAR **2007** California Exempt Organization Annual Information Return

FORM **199**

For calendar year 2007 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____	
IMPORTANT: Your number is required.	
California corporation number C1022594	Federal employer identification number (FEIN) 94-2759879
Corporation/Organization name Applied Research Center	
Address (including suite, room, or PMB no.) 900 Alice Street #400	
City Oakland, CA	State ZIP Code 94607
<p>A Final return? Check applicable box. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn <input type="checkbox"/> Merged/Reorganized (attach explanation)</p> <p>If a box is checked, enter date @ _____</p> <p>B Check forms filed this year: State: <input type="checkbox"/> 109 <input type="checkbox"/> 100 <input type="checkbox"/> 100S <input type="checkbox"/> 100W Fed: <input checked="" type="checkbox"/> 990 Fed: <input type="checkbox"/> 990EZ <input type="checkbox"/> 990T <input type="checkbox"/> 990PF <input type="checkbox"/> 1041 <input type="checkbox"/> 1120H <input type="checkbox"/> 1120</p> <p>C If organization is exempt under R&TC Section 23701d and is a school, public charity, religious organization, or is controlled by a religious operation, check box. See General Instruction F. No filing fee is required. @ <input checked="" type="checkbox"/></p> <p>D Is this a group filing? See General Instruction N. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>E Accounting method used . Accrual</p> <p>F Type of organization <input checked="" type="checkbox"/> Exempt under Section 23701 <u>d</u> (insert letter) <input type="checkbox"/> IRC Section 4947(a)(1) trust</p>	

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues <small>(Enclose, but do not staple, any payment.)</small>	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8 @	1	3,284,369.
	2 Gross dues and assessments from members and affiliates. @	2	
	3 Gross contributions, gifts, grants, and similar amounts received. See instructions. See Sch. B @	3	1,282,751.
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C. @	4	4,567,120.
	5 Cost of goods sold. 5	5	
	6 Cost or other basis, and sales expenses of assets sold. 6	6	2,879,580.
	7 Total costs. Add line 5 and line 6. 7	7	2,879,580.
	8 Total gross income. Subtract line 7 from line 4. 8	8	1,687,540.
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18 9	9	2,470,729.
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8 10	10	-783,189.
Filing Fee	11 Filing fee \$10 or \$25. See General Instruction F. 11	11	
	12 Penalty for failure to file on time. See General Instruction L. 12	12	
	13 Use tax. See 'General Instruction M'. @ 13	13	
	14 Balance due. Add line 11, line 12, and line 13 14	14	

- 15 If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations Yes No
- 16 Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents. Yes No
- 17 Is the organization exempt under R&TC Section 23701g? Yes No
If 'Yes,' enter amount of gross receipts from nonmember sources. . . \$ _____
- 18 Did the organization file Form 100, Form 100S, Form 100W, or Form 109 to report taxable income? Yes No
If 'Yes,' enter amount of total income reported. . . . \$ _____
- 19 The financial records are in care of . **Applied Research Center** Daytime telephone **510-653-3415**
located at **900 Alice Street, Ste. 400 94607**

Please 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.		G Title _____
	G Signature of officer _____	Date _____	@ 510-653-3415 Daytime telephone
Paid Preparer's Use Only	Paid Preparer's signature G _____	Date _____	Check if self-employed <input type="checkbox"/> @ Paid preparer's SSN or PTIN _____
	Firm's name (or yours, if self-employed) and address G Crosby & Kaneda, CPAs 1611 Telegraph Ave Ste 318 Oakland, CA 94612-2151		FEIN @ 94-3243888 @ Daytime telephone (510) 835-2727

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts ' complete Part II or furnish substitute information. See Specific Line Instructions.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	1	
	2	Interest	2	133,911.
	3	Dividends	3	
	4	Gross rents	4	
	5	Gross royalties	5	
	6	Gross amount received from sale of assets	6	2,839,421.
	7	Other income. Attach schedule. See Statement 1	7	311,037.
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	3,284,369.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule See Statement 2	9	10,000.
	10	Disbursements to or for members	10	
	11	Compensation of officers, directors, and trustees. Attach schedule See Statement 3	11	220,120.
	12	Other salaries and wages	12	947,905.
	13	Interest	13	2,977.
	14	Taxes	14	93,785.
	15	Rents	15	138,215.
	16	Depreciation and depletion	16	28,030.
	17	Other. Attach schedule. See Statement 4	17	1,029,697.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	18	2,470,729.

Schedule L Balance Sheets		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		946,246.		285,242.
2	Net accounts receivable		5,078.		88,560.
3	Net notes receivable. Attach schedule. St. 5		153,787.		107,865.
4	Inventories				
5	Federal and state government obligations				
6	Investments in other bonds. Attach schedule.				
7	Investments in stock. Attach schedule Stmt. 6		2,637,745.		1,269,006.
8	Mortgage loans (number of loans)				
9	Other investments. Attach schedule.				
10a	Depreciable assets	194,171.		1,496,212.	
b	Less accumulated depreciation	119,262.	74,909.	147,292.	1,348,920.
11	Land				
12	Other assets. Attach schedule. St. 7		50,968.		40,828.
13	Total assets		3,868,733.		3,140,421.
Liabilities and net worth					
14	Accounts payable		29,276.		26,818.
15	Contributions, gifts, or grants payable				
16	Bonds and notes payable. Attach schedule St. 8				68,911.
17	Mortgages payable		66,537.		
18	Other liabilities. Attach schedule.				
19	Capital stock or principle fund				
20	Paid-in or capital surplus. Attach reconciliation				
21	Retained earnings or income fund		3,772,920.		3,044,692.
22	Total liabilities and net worth		3,868,733.		3,140,421.

Schedule M-1 Reconciliation of income per books with income per return				
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000				
1	Net income per books	-728,228.	7	Income recorded on books this year not included in this return. Attach schedule.
2	Federal income tax		8	Deductions in this return not charged against book income this year. Attach schedule.
3	Excess of capital losses over capital gains	-54,961.	9	Total. Add line 7 and line 8.
4	Income not recorded on books this year. Attach schedule		10	Net income per return. Subtract line 9 from line 6.
5	Expenses recorded on books this year not deducted in this return. Attach schedule			
6	Total. Add line 1 through line 5.	-783,189.		

Name of organization

Applied Research Center

Employer identification number

94-2759879

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust not treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule. (Note: *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule* - see instructions.)

General Rule '

For 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 of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) 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.) G \$ _____

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).*

BAA 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) (2007)

Name of organization

Employer identification number

Applied Research Center

94-2759879

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	----- ----- -----	\$ <u>270,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	----- ----- -----	\$ <u>80,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	----- ----- -----	\$ <u>40,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>	----- ----- -----	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>	----- ----- -----	\$ <u>40,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>	----- ----- -----	\$ <u>50,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Applied Research Center

94-2759879

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	----- ----- -----	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	----- ----- -----	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	----- ----- -----	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Applied Research Center

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Part II Noncash Property (See Specific Instructions.)

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

Name of organization

Employer identification number

Applied Research Center

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Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating 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.) **G\$** **N/A**

(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

Client APL07

Applied Research Center

94-2759879

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Statement 1
Form 199, Part II, Line 7
Other Income

Miscellaneous	\$	1,911.
Program Service Revenue		309,126.
Total	\$	<u>311,037.</u>

Statement 2
Form 199, Part II, Line 9
Contributions, Gifts, Grants, and Similar Amounts Paid

Class of Activity:	Film Production	
Donee's Name:	Brian Palmer	
Donee's Street Address:	224 Lincoln Place 1B	
Donee's City, State, ZIP:	Brooklyn, NY 11217	
Amount Given:		\$ 10,000.
Total	\$	<u>10,000.</u>

Statement 3
Form 199, Part II, Line 11
Compensation of Officers, Directors, and Trustees

Current Officers:

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Bai shal i Ri nku Sen 900 Alice St. #400 Oakland, CA 94607	President / ED 40.00	\$ 82,174.	\$ 10,408.	\$ 0.
Soni a Pena 900 Alice St. #400 Oakland, CA 94607	Associate Dir. 40.00	68,846.	6,899.	0.
Susan Colson 900 Alice St. #400 Oakland, CA 94607	Board Chair 1.00	0.	0.	0.
Franci s Cal potura 900 Alice St. #400 Oakland, CA 94607	Sec. /Treasurer 1.00	0.	0.	0.
Deepak Bhargava 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Victor Goode 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.

Client APL07

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Statement 3 (continued)
Form 199, Part II, Line 11
Compensation of Officers, Directors, and Trustees

Current Officers:

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
LeeAnn Hall 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	\$ 0.	\$ 0.	\$ 0.
Carol Pencke 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Omowale Satterwhite 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Charlene Sinclair 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Esmeralda Simmons 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Marcia Smith 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Dorian Warren 900 Alice St. #400 Oakland, CA 94607	Board Member 1.00	0.	0.	0.
Andrea Batista-Schlesinger 900 Alice St. #400 Oakland, CA 9460	Board Member 1.00	0.	0.	0.
Total		<u>\$ 151,020.</u>	<u>\$ 17,307.</u>	<u>\$ 0.</u>

Former Officers:

Name and Address	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other	Loans and Advances
Gary Delgado 4057 Whittle Ave Oakland, CA 94602	\$ 51,793.	0.	0.	0.
Total		<u>\$ 51,793.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
Form 199, Part II, Line 17
Other Expenses

Accounting Fees	\$ 7,383.
Conferences, Conventions, and Meetings	29,366.
Dues and Memberships	16,216.
Equipment Rental and Maintenance	12,126.
Insurance	9,246.
Legal Fees	2,323.
Marketing and Publicity	25,084.
Other Employee Benefit	163,804.
Pension Plan Contributions	34,015.
Postage and Shipping	44,072.
Printing and Publications	93,379.
Professional fees	253,721.
Staff Development	10,003.
Supplies	45,154.
Telephone	58,577.
Travel	225,228.
Total	<u>\$ 1,029,697.</u>

Statement 5
Form 199, Schedule L, Line 3
Net Notes Receivable

<u>Notes and Loans Reported Separately</u>	<u>Balance Due</u>	<u>Doubtful Accounts Allowance</u>
Borrower's Name: Critical Ventures Housing II		
Borrower's Title:		
Date of Note:		
Maturity Date: 8/31/2011		
Repayment Terms: Monthly payments of \$833		
Interest Rate: 10.00%		
Security Provided: Unsecured		
Purpose of Loan:		
Borrower Relationship:		
Consideration:		
Consideration FMV:		
Original Amount:		
Balance Due:	\$ 100,000.	
Doubtful Acct. Allow.:		\$ 0.
Borrower's Name: Equity Action		
Borrower's Title:		
Date of Note:		
Maturity Date: 12/01/2008		
Repayment Terms:		
Interest Rate: 1.00%		
Security Provided: Future donations		
Purpose of Loan: Formation costs		
Borrower Relationship: Affiliated 501(c)(4) org.		
Consideration:		
Consideration FMV:		
Original Amount:		
Balance Due:	\$ 7,865.	

Client APL07

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Statement 5 (continued)
Form 199, Schedule L, Line 3
Net Notes Receivable

<u>Notes and Loans Reported Separately</u>	<u>Balance Due</u>	<u>Doubtful Accounts Allowance</u>
Doubtful Acct. Allow.:	\$	0.
Total Net Notes and Loans Reported Separately	\$	<u>107,865.</u>
Total Net Receivables	\$	<u><u>107,865.</u></u>

Statement 6
Form 199, Schedule L, Line 7
Investments in Stocks

Total	\$	<u>1,269,006.</u>
Total	\$	<u><u>1,269,006.</u></u>

Statement 7
Form 199, Schedule L, Line 12
Other Assets

Total	\$	<u>40,828.</u>
Total	\$	<u><u>40,828.</u></u>

Statement 8
Form 199, Schedule L, Line 16
Bonds and Notes Payable

<u>Other Notes Payable</u>	<u>Balance Due</u>
Lender's Name: Sisters of Loretto	
Maturity Date: 9/30/2012	
Repayment Terms: Monthly payments of \$920	
Interest Rate: 2	
Security Provided: Unsecured	
Balance Due:	68,911.
Total Other Notes Payable	\$ <u>68,911.</u>
Total Notes and Bonds Payable	\$ <u><u>68,911.</u></u>

IN
MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
Telephone: (916) 445-2021

WEBSITE ADDRESS:
<http://ag.ca.gov/charities/>

ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Sections 12586 and 12587, California Government Code
11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code Section 12586.1. IRS extensions will be honored.



State Charity Registration Number <u>CT43170</u> Applied Research Center <small>Name of Organization</small> <u>900 Alice Street #400</u> <small>Address (Number and Street)</small> <u>Oakland, CA 94607</u> <small>City or Town State ZIP Code</small>	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report Corporate or Organization No. <u>C1022594</u> Federal Employer ID No. <u>94-2759879</u>
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ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)
Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A ' ACTIVITIES

For your most recent full accounting period (beginning 1/01/07 ending 12/31/07) list:
 Gross annual revenue \$ 1,687,540. Total assets \$ 3,140,421.

PART B ' STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer 'yes' to any of the questions below, you must attach a separate sheet providing an explanation and details for each 'yes' response. Please review RRF-1 instructions for information required.

	Yes	No
1 During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest? See Statement 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 During this reporting period, did non-program expenditures exceed 50% of gross revenues?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If 'yes,' provide an attachment listing the name, address, and telephone number of the service provider.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 During this reporting period, did the organization hold a raffle for charitable purposes? If 'yes,' provide an attachment indicating the number of raffles and the date(s) they occurred.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Does the organization conduct a vehicle donation program? If 'yes,' provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Organization's area code and telephone number 510-653-3415
 Organization's e-mail address spena@arc.org

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of authorized officer	Printed Name	Title	Date
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Statement 1
Form RRF-1, Part B, line 1
Financial Transactions

Former Executive Director, Gary Delgado, was paid \$51,973 for consulting services.

Secretary / Treasurer, Francis Calpotura, was paid \$26,957 as the TIGRA Director, not for his services on the board of directors.