

2008 TAX RETURN

Client Copy

Client: 1

Prepared for: Books Aloud, Inc.
P. O. Box 5731
San Jose, CA 95150
408-808-2613

Prepared by: Mary F. Vettorel
Mary F. Vettorel, CPA
1952 Camden Ave., Suite 102
San Jose, CA 95124
(408) 364-2322

Date: January 25, 2010

Comments:

Route to: _____

2008 Exempt Org. Return
prepared for:

Books Aloud, Inc.
P. O. Box 5731
San Jose, CA 95150

Mary F. Vettorel, CPA
1952 Camden Ave., Suite 102
San Jose, CA 95124

**MARY F. VETTOREL, CPA
1952 CAMDEN AVE., SUITE 102
SAN JOSE, CA 95124
(408) 364-2322**

January 25, 2010

Books Aloud, Inc.
P. O. Box 5731
San Jose, CA 95150

Dear Executive Director:

Enclosed is your 2008 Federal Return of Organization Exempt from Income Tax. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail your Federal return on or before February 16, 2010 to:

**DEPARTMENT OF TREASURY
INTERNAL REVENUE SERVICE
OGDEN, UT 84201-0027**

Enclosed is your 2008 California Exempt Organization Annual Information Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the California return on or before June 15, 2010 to:

**FRANCHISE TAX BOARD
P.O. BOX 942857
SACRAMENTO, CA 94257-0700**

Enclosed is your California Registration/Renewal Fee Report to the Attorney General. The original should be signed at the bottom of page one. There is a fee due of \$75 payable by February 16, 2010. Make the check or money order payable to "Attorney General's Registry of Charitable Trusts" and mail your California report on or before February 16, 2010 to:

**REGISTRY OF CHARITABLE TRUSTS
P.O. BOX 903447
SACRAMENTO, CA 94203-4470**

Please be sure to call us if you have any questions.

Sincerely,

Mary F. Vettorel

Mary F. Vettorel, CPA
1952 Camden Ave., Suite 102
San Jose, CA 95124
(408) 364-2322

Client 1
January 25, 2010

Books Aloud, Inc.
P. O. Box 5731
San Jose, CA 95150
408-808-2613

FEDERAL FORMS

| | |
|------------|--|
| Form 990 | 2008 Return of Organization Exempt from Income Tax |
| Schedule A | Organization Exempt Under Section 501(c)(3) |
| Schedule B | Schedule of Contributors |
| Schedule D | Schedule D |
| Schedule L | Transactions Involving Interested Persons |
| Schedule O | Supplemental Information |
| Form 8868 | Application for Extension |
| | Depreciation Schedules |

CALIFORNIA FORMS

| | |
|-----------------|--|
| Form 199 | 2008 California Exempt Organization Return |
| Schedule B | Schedule of Contributors |
| Form 3885 (199) | Depreciation and Amortization - Corp. |
| Form RRF-1 | 2009 Registration/Renewal Fee Report |
| | California Depreciation Schedules |

FEE SUMMARY

Preparation Fee

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2008 Federal Book Depreciation Schedule

Page 1

Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|----------------------------------|--------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| Form 990/990-PF | | | | | | | | | | | | | | | | |
| Auto / Transport Equipment | | | | | | | | | | | | | | | | |
| 97 | Delivery Vehicle | 12/17/04 | | 5,870 | | | | | | | 5,870 | 4,109 | S/L | 5 | | 1,174 |
| Total Auto / Transport Equipment | | | | 5,870 | | 0 | 0 | 0 | 0 | 0 | 5,870 | 4,109 | | | | 1,174 |
| Furniture and Fixtures | | | | | | | | | | | | | | | | |
| 6 | Braille Typewriter | 12/01/75 | | 150 | | | | | | | 150 | 150 | S/L | 15 | | 0 |
| 7 | File Cabinets | 5/01/78 | | 145 | | | | | | | 145 | 145 | S/L | 15 | | 0 |
| 8 | File Cabinet | 5/01/79 | | 237 | | | | | | | 237 | 237 | S/L | 15 | | 0 |
| 9 | Table, Cabinet, Cart | 9/01/79 | | 289 | | | | | | | 289 | 289 | S/L | 15 | | 0 |
| 10 | 5 Cabinets, Table | 6/01/80 | | 1,148 | | | | | | | 1,148 | 1,148 | S/L | 15 | | 0 |
| 11 | File Cabinets | 6/01/81 | | 726 | | | | | | | 726 | 726 | S/L | 15 | | 0 |
| 12 | 4 Cabinets | 12/01/81 | | 656 | | | | | | | 656 | 656 | S/L | 15 | | 0 |
| 13 | 2 Tape Cabinets | 10/01/82 | | 632 | | | | | | | 632 | 632 | S/L | 15 | | 0 |
| 14 | File Cabinet | 6/01/84 | | 148 | | | | | | | 148 | 148 | S/L | 15 | | 0 |
| 15 | Cabinets, Book Truck | 6/01/85 | | 863 | | | | | | | 863 | 863 | S/L | 15 | | 0 |
| 16 | Cabinets | 6/01/86 | | 515 | | | | | | | 515 | 515 | S/L | 15 | | 0 |
| 17 | 5-Shelf Cabinet | 12/01/86 | | 310 | | | | | | | 310 | 310 | S/L | 15 | | 0 |
| 18 | Cabinets | 12/01/86 | | 385 | | | | | | | 385 | 385 | S/L | 10 | | 0 |
| 19 | Cabinet | 1/01/87 | | 347 | | | | | | | 347 | 347 | S/L | 15 | | 0 |
| 20 | Cassette Cabinets | 2/01/88 | | 1,708 | | | | | | | 1,708 | 1,708 | S/L | 10 | | 0 |
| 21 | Cabinet | 3/01/89 | | 1,277 | | | | | | | 1,277 | 1,277 | S/L | 10 | | 0 |
| 22 | File & Cassette Cabinets | 5/01/90 | | 1,677 | | | | | | | 1,677 | 1,677 | S/L | 10 | | 0 |
| 23 | Book Truck | 6/01/91 | | 398 | | | | | | | 398 | 398 | S/L | 10 | | 0 |
| 24 | Cabinets | 3/01/92 | | 382 | | | | | | | 382 | 382 | S/L | 10 | | 0 |

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2008 Federal Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|------------------------------|---------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 26 | Book Truck & Cabinets | 5/01/93 | | 5,214 | | | | | | | 5,214 | 5,214 | S/L | 10 | | 0 |
| 43 | Chairs | 5/02/97 | | 1,324 | | | | | | | 1,324 | 1,324 | S/L | 10 | | 0 |
| 51 | Chairs | 7/01/97 | | 1,000 | | | | | | | 1,000 | 1,000 | S/L | 7 | | 0 |
| 52 | Picture | 9/03/97 | | 116 | | | | | | | 116 | 116 | S/L | 10 | | 0 |
| 55 | Typewriter | 8/27/98 | | 113 | | | | | | | 113 | 113 | S/L | 5 | | 0 |
| 56 | Cassette Cabinett | 12/02/98 | | 4,839 | | | | | | | 4,839 | 4,598 | S/L | 10 | | 241 |
| 70 | Silk Plants | 8/05/03 | | 290 | | | | | | | 290 | 202 | S/L | 7 | | 42 |
| 71 | Konica 7055 Copier | 8/04/03 | | 10,000 | | | | | | | 10,000 | 9,833 | S/L | 5 | | 167 |
| 72 | Laminator | 8/07/03 | | 75 | | | | | | | 75 | 74 | S/L | 5 | | 1 |
| 73 | Conference Table,Chairs | 8/14/03 | | 2,500 | | | | | | | 2,500 | 1,229 | S/L | 10 | | 250 |
| 74 | Cassette Cabinets | 12/18/03 | | 517 | | | | | | | 517 | 255 | S/L | 10 | | 52 |
| 75 | Brailier | 6/30/04 | | 1,140 | | | | | | | 1,140 | 931 | S/L | 5 | | 209 |
| 93 | 3 DVD Players | 3/30/05 | | 227 | | | | | | | 227 | 151 | S/L | 5 | | 45 |
| 132 | Bookcases | 9/11/07 | | 333 | | | | | | | 333 | 28 | S/L | 10 | | 33 |
| 133 | Lateral Files & Bookcases | 1/18/08 | | 953 | | | | | | | 953 | 48 | S/L | 10 | | 95 |
| 139 | Laminating Machine | 4/16/09 | | 208 | | | | | | | 208 | | S/L | 5 | | 11 |
| Total Furniture and Fixtures | | | | 40,842 | | 0 | 0 | 0 | 0 | 0 | 40,842 | 37,109 | | | | 1,146 |
| Machinery and Equipment | | | | | | | | | | | | | | | | |
| 25 | Binder,Calculator | 3/01/92 | | 651 | | | | | | | 651 | 651 | S/L | 5 | | 0 |
| 27 | Electric Brailier | 8/01/92 | | 925 | | | | | | | 925 | 925 | S/L | 5 | | 0 |
| 28 | Donor Perfect Software | 5/01/93 | | 3,083 | | | | | | | 3,083 | 3,083 | S/L | 5 | | 0 |
| 29 | Scanner and Wand | 1/01/94 | | 560 | | | | | | | 560 | 560 | S/L | 5 | | 0 |
| 30 | Scanner Equipment | 1/20/95 | | 536 | | | | | | | 536 | 536 | S/L | 5 | | 0 |
| 31 | Scanner Equipment | 1/01/96 | | 765 | | | | | | | 765 | 765 | S/L | 5 | | 0 |
| 44 | Printer-Circulation Dept | 10/21/96 | | 287 | | | | | | | 287 | 287 | S/L | 5 | | 0 |

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2008 Federal Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-----|--------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 45 | Scanners | 3/03/97 | | 977 | | | | | | | 977 | 977 | S/L | 5 | | 0 |
| 49 | Music Stand | 6/09/97 | | 49 | | | | | | | 49 | 49 | S/L | 10 | | 0 |
| 53 | CD Scanners-2 | 7/29/97 | | 1,094 | | | | | | | 1,094 | 1,094 | S/L | 5 | | 0 |
| 58 | Computer Equipment | 7/10/98 | | 1,176 | | | | | | | 1,176 | 1,176 | S/L | 5 | | 0 |
| 59 | Computer Printer | 1/21/99 | | 513 | | | | | | | 513 | 513 | S/L | 5 | | 0 |
| 60 | Computer Printers | 6/02/99 | | 991 | | | | | | | 991 | 991 | S/L | 5 | | 0 |
| 64 | Otari Duplicator | 8/16/01 | | 6,745 | | | | | | | 6,745 | 6,667 | S/L | 7 | | 78 |
| 65 | Dot Matrix Printer | 4/30/02 | | 372 | | | | | | | 372 | 372 | S/L | 5 | | 0 |
| 68 | Computer Equipment | 7/31/02 | | 824 | | | | | | | 824 | 824 | S/L | 5 | | 0 |
| 76 | HP Lazerjet Printer | 8/07/03 | | 500 | | | | | | | 500 | 492 | S/L | 5 | | 8 |
| 77 | Dell Poweredge System | 1/12/04 | | 4,196 | | | | | | | 4,196 | 3,776 | S/L | 5 | | 420 |
| 78 | 5 Lightlane Workstations | 1/26/04 | | 5,385 | | | | | | | 5,385 | 4,846 | S/L | 5 | | 539 |
| 79 | 7 Lightlane Systems | 2/17/04 | | 4,236 | | | | | | | 4,236 | 3,741 | S/L | 5 | | 495 |
| 80 | 13 UPS Emergency Power | 6/30/04 | | 617 | | | | | | | 617 | 503 | S/L | 5 | | 114 |
| 81 | 12 Loaner Head Sets | 4/09/04 | | 211 | | | | | | | 211 | 179 | S/L | 5 | | 32 |
| 82 | 2 Sony Tape Decks | 7/02/03 | | 1,126 | | | | | | | 1,126 | 805 | S/L | 7 | | 161 |
| 83 | Microphone, Foam | 12/10/03 | | 899 | | | | | | | 899 | 589 | S/L | 7 | | 128 |
| 84 | Booth Table & Plexiglass | 12/30/03 | | 179 | | | | | | | 179 | 82 | S/L | 10 | | 18 |
| 87 | CD Recorder | 3/18/04 | | 665 | | | | | | | 665 | 412 | S/L | 7 | | 95 |
| 88 | Studio Equipt | 12/13/03 | | 1,200 | | | | | | | 1,200 | 785 | S/L | 7 | | 171 |
| 89 | 9 Loaner Recorders | 7/13/04 | | 715 | | | | | | | 715 | 572 | S/L | 5 | | 143 |
| 90 | 2 Loaner Recorders | 5/08/05 | | 145 | | | | | | | 145 | 92 | S/L | 5 | | 29 |
| 91 | 4 Loaner Recorders | 6/18/05 | | 177 | | | | | | | 177 | 108 | S/L | 5 | | 35 |
| 92 | 9 Loaner Recorders | 6/20/05 | | 568 | | | | | | | 568 | 351 | S/L | 5 | | 114 |
| 94 | Laptop Computer | 2/08/05 | | 1,437 | | | | | | | 1,437 | 981 | S/L | 5 | | 288 |
| 95 | Laptop Computer | 2/22/05 | | 1,032 | | | | | | | 1,032 | 704 | S/L | 5 | | 207 |
| 96 | 5 Barcode Scanners | 2/28/05 | | 2,177 | | | | | | | 2,177 | 1,486 | S/L | 5 | | 436 |

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2008 Federal Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-------------------------------|---------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 108 | Sonicwall Firewall | 7/05/05 | | 731 | | | | | | | 731 | 438 | S/L | 5 | | 146 |
| 109 | Viewsonic Monitor | 1/21/06 | | 433 | | | | | | | 433 | 217 | S/L | 5 | | 87 |
| 110 | Epson RX50 | 3/30/06 | | 230 | | | | | | | 230 | 107 | S/L | 5 | | 46 |
| 111 | Yamaha Amplifier, Hard Di | 5/31/06 | | 2,145 | | | | | | | 2,145 | 930 | S/L | 5 | | 430 |
| 113 | Readers Lamp | 11/15/05 | | 162 | | | | | | | 162 | 62 | S/L | 7 | | 23 |
| 114 | Loaner Recorder, 2 headse | 11/15/05 | | 81 | | | | | | | 81 | 43 | S/L | 5 | | 16 |
| 115 | 13 Loaner Recorders | 2/04/06 | | 678 | | | | | | | 678 | 328 | S/L | 5 | | 136 |
| 120 | Computer 500GB External | 7/14/06 | | 433 | | | | | | | 433 | 174 | S/L | 5 | | 86 |
| 121 | Computer Adobe Audition | 9/18/06 | | 638 | | | | | | | 638 | 234 | S/L | 5 | | 128 |
| 122 | Computer Compaq V520 | 12/13/06 | | 1,070 | | | | | | | 1,070 | 321 | S/L | 5 | | 214 |
| 123 | Computer for Studio | 3/16/07 | | 1,100 | | | | | | | 1,100 | 293 | S/L | 5 | | 220 |
| 124 | Garmed Degausser | 10/26/06 | | 1,250 | | | | | | | 1,250 | 313 | S/L | 7 | | 179 |
| 125 | Studio Equipment | 3/29/07 | | 372 | | | | | | | 372 | 71 | S/L | 7 | | 53 |
| 126 | 17 Loaner Recorders | 10/30/06 | | 202 | | | | | | | 202 | 70 | S/L | 5 | | 40 |
| 127 | 7 Loaner Recorders | 4/27/07 | | 192 | | | | | | | 192 | 54 | S/L | 5 | | 38 |
| 128 | 13 Loaner Recorders | 6/01/07 | | 217 | | | | | | | 217 | 47 | S/L | 5 | | 43 |
| 134 | 8 Loaner Recorders | 9/20/07 | | 210 | | | | | | | 210 | 35 | S/L | 5 | | 42 |
| 140 | 2 Duplicators | 10/31/08 | | 7,562 | | | | | | | 7,562 | | S/L | 7 | | 720 |
| 141 | Studio Lamp | 4/16/09 | | 207 | | | | | | | 207 | | S/L | 7 | | 7 |
| 142 | Laptop Computer | 7/09/08 | | 852 | | | | | | | 852 | | S/L | 5 | | 170 |
| 143 | 35 Loaner Recorders | 10/01/08 | | 1,303 | | | | | | | 1,303 | | S/L | 5 | | 195 |
| Total Machinery and Equipment | | | | 65,081 | | 0 | 0 | 0 | 0 | 0 | 65,081 | 43,711 | | | | 6,530 |
| Miscellaneous | | | | | | | | | | | | | | | | |
| 32 | Tapes and Albums | 1/01/87 | | 8,936 | | | | | | | 8,936 | 8,936 | S/L | 12 | | 0 |
| 33 | Tapes and Albums | 1/01/88 | | 9,633 | | | | | | | 9,633 | 9,633 | S/L | 12 | | 0 |

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2008 Federal Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-----|------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 34 | Tapes and Albums | 1/01/89 | | 13,750 | | | | | | | 13,750 | 13,750 | S/L | 12 | | 0 |
| 35 | Tapes and Albums | 1/01/90 | | 10,573 | | | | | | | 10,573 | 10,573 | S/L | 12 | | 0 |
| 36 | Tapes and Albums | 1/01/91 | | 14,512 | | | | | | | 14,512 | 14,512 | S/L | 12 | | 0 |
| 37 | Tapes and Albums | 1/01/92 | | 7,175 | | | | | | | 7,175 | 7,175 | S/L | 12 | | 0 |
| 38 | Tapes and Albums | 1/01/93 | | 1,839 | | | | | | | 1,839 | 1,839 | S/L | 12 | | 0 |
| 39 | Tapes and Albums | 1/01/94 | | 9,259 | | | | | | | 9,259 | 9,259 | S/L | 12 | | 0 |
| 40 | Tapes and Albums | 1/01/95 | | 7,841 | | | | | | | 7,841 | 7,841 | S/L | 12 | | 0 |
| 41 | Tapes and Albums | 1/01/96 | | 7,462 | | | | | | | 7,462 | 7,462 | S/L | 12 | | 0 |
| 42 | Tapes and Albums | 1/01/97 | | 6,811 | | | | | | | 6,811 | 6,527 | S/L | 12 | | 284 |
| 50 | Tapes and Albums | 1/01/98 | | 6,433 | | | | | | | 6,433 | 5,639 | S/L | 12 | | 537 |
| 61 | Tapes and Albums | 1/01/99 | | 6,963 | | | | | | | 6,963 | 5,511 | S/L | 12 | | 580 |
| 62 | Tapes and Albums | 1/01/00 | | 5,821 | | | | | | | 5,821 | 4,123 | S/L | 12 | | 485 |
| 63 | Tapes and Albums | 1/01/01 | | 7,382 | | | | | | | 7,382 | 4,613 | S/L | 12 | | 616 |
| 66 | Tapes and Albums | 1/01/02 | | 2,980 | | | | | | | 2,980 | 1,614 | S/L | 12 | | 248 |
| 67 | Tapes and Albums | 1/01/03 | | 870 | | | | | | | 870 | 400 | S/L | 12 | | 73 |
| 69 | Tapes and Albums | 1/01/04 | | 10,115 | | | | | | | 10,115 | 3,793 | S/L | 12 | | 843 |
| 98 | Tapes & Albums | 1/01/05 | | 5,508 | | | | | | | 5,508 | 1,607 | S/L | 12 | | 459 |
| 99 | CDs & Albums | 1/01/05 | | 769 | | | | | | | 769 | 224 | S/L | 12 | | 64 |
| 100 | Commercial Audio Books | 9/03/04 | | 918 | | | | | | | 918 | 704 | S/L | 5 | | 184 |
| 101 | Commercial Audio Books | 11/30/04 | | 796 | | | | | | | 796 | 583 | S/L | 5 | | 159 |
| 102 | Commercial Audio Books | 1/12/05 | | 215 | | | | | | | 215 | 150 | S/L | 5 | | 43 |
| 103 | Commercial Audio Books | 3/30/05 | | 530 | | | | | | | 530 | 353 | S/L | 5 | | 106 |
| 104 | Commercial Audio Books | 6/07/05 | | 340 | | | | | | | 340 | 210 | S/L | 5 | | 68 |
| 105 | Commercial Audio Books | 6/27/05 | | 2,880 | | | | | | | 2,880 | 1,776 | S/L | 5 | | 576 |
| 106 | Commercial Audio Books | 6/28/05 | | 21,425 | | | | | | | 21,425 | 13,215 | S/L | 5 | | 4,285 |
| 107 | Commercial Audio Books | 6/30/05 | | 3,100 | | | | | | | 3,100 | 1,912 | S/L | 5 | | 620 |
| 112 | Promotional DVD | 5/11/06 | | 2,300 | | | | | | | 2,300 | 1,661 | S/L | 3 | | 639 |

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2008 Federal Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|--------------------------|------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 116 | Tapes & Albums | 1/01/06 | | 6,339 | | | | | | | 6,339 | 1,321 | S/L | 12 | | 528 |
| 117 | Commercial Audio Tapes | 12/29/05 | | 664 | | | | | | | 664 | 332 | S/L | 5 | | 133 |
| 118 | Commercial Audio Tapes | 3/30/06 | | 427 | | | | | | | 427 | 199 | S/L | 5 | | 86 |
| 119 | Commercial Audio Tapes | 5/31/06 | | 384 | | | | | | | 384 | 167 | S/L | 5 | | 76 |
| 129 | Tapes & Albums | 1/01/07 | | 7,848 | | | | | | | 7,848 | 981 | S/L | 12 | | 654 |
| 130 | Commercial Audio Books | 8/12/06 | | 211 | | | | | | | 211 | 36 | S/L | 12 | | 18 |
| 131 | Commercial Audio Books | 9/12/06 | | 15,000 | | | | | | | 15,000 | 2,292 | S/L | 12 | | 1,250 |
| 135 | Tapes & Albums | 1/01/08 | | 13,427 | | | | | | | 13,427 | 559 | S/L | 12 | | 1,119 |
| 136 | Commercial Audio Books | 9/14/07 | | 210 | | | | | | | 210 | 15 | S/L | 12 | | 17 |
| 137 | Commercial Audio Books | 6/02/08 | | 17,500 | | | | | | | 17,500 | 122 | S/L | 12 | | 1,458 |
| 138 | Commercial Audio Books | 6/19/08 | | 135 | | | | | | | 135 | 5 | S/L | 12 | | 11 |
| 144 | Tapes & Albums | 1/01/09 | | 4,828 | | | | | | | 4,828 | | S/L | 12 | | 201 |
| Total Miscellaneous | | | | 244,109 | | 0 | 0 | 0 | 0 | 0 | 244,109 | 151,624 | | | | 16,420 |
| Total Depreciation | | | | 355,902 | | 0 | 0 | 0 | 0 | 0 | 355,902 | 236,553 | | | | 25,270 |
| Grand Total Depreciation | | | | 355,902 | | 0 | 0 | 0 | 0 | 0 | 355,902 | 236,553 | | | | 25,270 |

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2008 California Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|----------------------------|----------------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| Form 199 | | | | | | | | | | | | | | | | |
| Auto / Transport Equipment | | | | | | | | | | | | | | | | |
| 97 | Delivery Vehicle | 12/17/04 | | 5,870 | | | | | | | 5,870 | 4,109 | S/L | 5 | | 1,174 |
| | Total Auto / Transport Equipment | | | 5,870 | | 0 | 0 | 0 | 0 | 0 | 5,870 | 4,109 | | | | 1,174 |
| Furniture and Fixtures | | | | | | | | | | | | | | | | |
| 6 | Braille Typewriter | 12/01/75 | | 150 | | | | | | | 150 | 150 | S/L | 15 | | 0 |
| 7 | File Cabinets | 5/01/78 | | 145 | | | | | | | 145 | 145 | S/L | 15 | | 0 |
| 8 | File Cabinet | 5/01/79 | | 237 | | | | | | | 237 | 237 | S/L | 15 | | 0 |
| 9 | Table, Cabinet, Cart | 9/01/79 | | 289 | | | | | | | 289 | 289 | S/L | 15 | | 0 |
| 10 | 5 Cabinets, Table | 6/01/80 | | 1,148 | | | | | | | 1,148 | 1,148 | S/L | 15 | | 0 |
| 11 | File Cabinets | 6/01/81 | | 726 | | | | | | | 726 | 726 | S/L | 15 | | 0 |
| 12 | 4 Cabinets | 12/01/81 | | 656 | | | | | | | 656 | 656 | S/L | 15 | | 0 |
| 13 | 2 Tape Cabinets | 10/01/82 | | 632 | | | | | | | 632 | 632 | S/L | 15 | | 0 |
| 14 | File Cabinet | 6/01/84 | | 148 | | | | | | | 148 | 148 | S/L | 15 | | 0 |
| 15 | Cabinets, Book Truck | 6/01/85 | | 863 | | | | | | | 863 | 863 | S/L | 15 | | 0 |
| 16 | Cabinets | 6/01/86 | | 515 | | | | | | | 515 | 515 | S/L | 15 | | 0 |
| 17 | 5-Shelf Cabinet | 12/01/86 | | 310 | | | | | | | 310 | 310 | S/L | 15 | | 0 |
| 18 | Cabinets | 12/01/86 | | 385 | | | | | | | 385 | 385 | S/L | 10 | | 0 |
| 19 | Cabinet | 1/01/87 | | 347 | | | | | | | 347 | 347 | S/L | 15 | | 0 |
| 20 | Cassette Cabinets | 2/01/88 | | 1,708 | | | | | | | 1,708 | 1,708 | S/L | 10 | | 0 |
| 21 | Cabinet | 3/01/89 | | 1,277 | | | | | | | 1,277 | 1,277 | S/L | 10 | | 0 |
| 22 | File & Cassette Cabinets | 5/01/90 | | 1,677 | | | | | | | 1,677 | 1,677 | S/L | 10 | | 0 |
| 23 | Book Truck | 6/01/91 | | 398 | | | | | | | 398 | 398 | S/L | 10 | | 0 |
| 24 | Cabinets | 3/01/92 | | 382 | | | | | | | 382 | 382 | S/L | 10 | | 0 |

6/30/09

2008 California Book Depreciation Schedule

Page 2

Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|------------------------------|---------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 26 | Book Truck & Cabinets | 5/01/93 | | 5,214 | | | | | | | 5,214 | 5,214 | S/L | 10 | | 0 |
| 43 | Chairs | 5/02/97 | | 1,324 | | | | | | | 1,324 | 1,324 | S/L | 10 | | 0 |
| 51 | Chairs | 7/01/97 | | 1,000 | | | | | | | 1,000 | 1,000 | S/L | 7 | | 0 |
| 52 | Picture | 9/03/97 | | 116 | | | | | | | 116 | 116 | S/L | 10 | | 0 |
| 55 | Typewriter | 8/27/98 | | 113 | | | | | | | 113 | 113 | S/L | 5 | | 0 |
| 56 | Cassette Cabinett | 12/02/98 | | 4,839 | | | | | | | 4,839 | 4,598 | S/L | 10 | | 241 |
| 70 | Silk Plants | 8/05/03 | | 290 | | | | | | | 290 | 202 | S/L | 7 | | 42 |
| 71 | Konica 7055 Copier | 8/04/03 | | 10,000 | | | | | | | 10,000 | 9,833 | S/L | 5 | | 167 |
| 72 | Laminator | 8/07/03 | | 75 | | | | | | | 75 | 74 | S/L | 5 | | 1 |
| 73 | Conference Table,Chairs | 8/14/03 | | 2,500 | | | | | | | 2,500 | 1,229 | S/L | 10 | | 250 |
| 74 | Cassette Cabinets | 12/18/03 | | 517 | | | | | | | 517 | 255 | S/L | 10 | | 52 |
| 75 | Brailier | 6/30/04 | | 1,140 | | | | | | | 1,140 | 931 | S/L | 5 | | 209 |
| 93 | 3 DVD Players | 3/30/05 | | 227 | | | | | | | 227 | 151 | S/L | 5 | | 45 |
| 132 | Bookcases | 9/11/07 | | 333 | | | | | | | 333 | 28 | S/L | 10 | | 33 |
| 133 | Lateral Files & Bookcases | 1/18/08 | | 953 | | | | | | | 953 | 48 | S/L | 10 | | 95 |
| 139 | Laminating Machine | 4/16/09 | | 208 | | | | | | | 208 | | S/L | 5 | | 11 |
| Total Furniture and Fixtures | | | | 40,842 | | 0 | 0 | 0 | 0 | 0 | 40,842 | 37,109 | | | | 1,146 |
| Machinery and Equipment | | | | | | | | | | | | | | | | |
| 25 | Binder,Calculator | 3/01/92 | | 651 | | | | | | | 651 | 651 | S/L | 5 | | 0 |
| 27 | Electric Brailier | 8/01/92 | | 925 | | | | | | | 925 | 925 | S/L | 5 | | 0 |
| 28 | Donor Perfect Software | 5/01/93 | | 3,083 | | | | | | | 3,083 | 3,083 | S/L | 5 | | 0 |
| 29 | Scanner and Wand | 1/01/94 | | 560 | | | | | | | 560 | 560 | S/L | 5 | | 0 |
| 30 | Scanner Equipment | 1/20/95 | | 536 | | | | | | | 536 | 536 | S/L | 5 | | 0 |
| 31 | Scanner Equipment | 1/01/96 | | 765 | | | | | | | 765 | 765 | S/L | 5 | | 0 |
| 44 | Printer-Circulation Dept | 10/21/96 | | 287 | | | | | | | 287 | 287 | S/L | 5 | | 0 |

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2008 California Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-----|--------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 45 | Scanners | 3/03/97 | | 977 | | | | | | | 977 | 977 | S/L | 5 | | 0 |
| 49 | Music Stand | 6/09/97 | | 49 | | | | | | | 49 | 49 | S/L | 10 | | 0 |
| 53 | CD Scanners-2 | 7/29/97 | | 1,094 | | | | | | | 1,094 | 1,094 | S/L | 5 | | 0 |
| 58 | Computer Equipment | 7/10/98 | | 1,176 | | | | | | | 1,176 | 1,176 | S/L | 5 | | 0 |
| 59 | Computer Printer | 1/21/99 | | 513 | | | | | | | 513 | 513 | S/L | 5 | | 0 |
| 60 | Computer Printers | 6/02/99 | | 991 | | | | | | | 991 | 991 | S/L | 5 | | 0 |
| 64 | Otari Duplicator | 8/16/01 | | 6,745 | | | | | | | 6,745 | 6,667 | S/L | 7 | | 78 |
| 65 | Dot Matrix Printer | 4/30/02 | | 372 | | | | | | | 372 | 372 | S/L | 5 | | 0 |
| 68 | Computer Equipment | 7/31/02 | | 824 | | | | | | | 824 | 824 | S/L | 5 | | 0 |
| 76 | HP Lazerjet Printer | 8/07/03 | | 500 | | | | | | | 500 | 492 | S/L | 5 | | 8 |
| 77 | Dell Poweredge System | 1/12/04 | | 4,196 | | | | | | | 4,196 | 3,776 | S/L | 5 | | 420 |
| 78 | 5 Lightlane Workstations | 1/26/04 | | 5,385 | | | | | | | 5,385 | 4,846 | S/L | 5 | | 539 |
| 79 | 7 Lightlane Systems | 2/17/04 | | 4,236 | | | | | | | 4,236 | 3,741 | S/L | 5 | | 495 |
| 80 | 13 UPS Emergency Power | 6/30/04 | | 617 | | | | | | | 617 | 503 | S/L | 5 | | 114 |
| 81 | 12 Loaner Head Sets | 4/09/04 | | 211 | | | | | | | 211 | 179 | S/L | 5 | | 32 |
| 82 | 2 Sony Tape Decks | 7/02/03 | | 1,126 | | | | | | | 1,126 | 805 | S/L | 7 | | 161 |
| 83 | Microphone, Foam | 12/10/03 | | 899 | | | | | | | 899 | 589 | S/L | 7 | | 128 |
| 84 | Booth Table & Plexiglass | 12/30/03 | | 179 | | | | | | | 179 | 82 | S/L | 10 | | 18 |
| 87 | CD Recorder | 3/18/04 | | 665 | | | | | | | 665 | 412 | S/L | 7 | | 95 |
| 88 | Studio Equipt | 12/13/03 | | 1,200 | | | | | | | 1,200 | 785 | S/L | 7 | | 171 |
| 89 | 9 Loaner Recorders | 7/13/04 | | 715 | | | | | | | 715 | 572 | S/L | 5 | | 143 |
| 90 | 2 Loaner Recorders | 5/08/05 | | 145 | | | | | | | 145 | 92 | S/L | 5 | | 29 |
| 91 | 4 Loaner Recorders | 6/18/05 | | 177 | | | | | | | 177 | 108 | S/L | 5 | | 35 |
| 92 | 9 Loaner Recorders | 6/20/05 | | 568 | | | | | | | 568 | 351 | S/L | 5 | | 114 |
| 94 | Laptop Computer | 2/08/05 | | 1,437 | | | | | | | 1,437 | 981 | S/L | 5 | | 288 |
| 95 | Laptop Computer | 2/22/05 | | 1,032 | | | | | | | 1,032 | 704 | S/L | 5 | | 207 |
| 96 | 5 Barcode Scanners | 2/28/05 | | 2,177 | | | | | | | 2,177 | 1,486 | S/L | 5 | | 436 |

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2008 California Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-------------------------------|---------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 108 | Sonicwall Firewall | 7/05/05 | | 731 | | | | | | | 731 | 438 | S/L | 5 | | 146 |
| 109 | Viewsonic Monitor | 1/21/06 | | 433 | | | | | | | 433 | 217 | S/L | 5 | | 87 |
| 110 | Epson RX50 | 3/30/06 | | 230 | | | | | | | 230 | 107 | S/L | 5 | | 46 |
| 111 | Yamaha Amplifier, Hard Di | 5/31/06 | | 2,145 | | | | | | | 2,145 | 930 | S/L | 5 | | 430 |
| 113 | Readers Lamp | 11/15/05 | | 162 | | | | | | | 162 | 62 | S/L | 7 | | 23 |
| 114 | Loaner Recorder, 2 headse | 11/15/05 | | 81 | | | | | | | 81 | 43 | S/L | 5 | | 16 |
| 115 | 13 Loaner Recorders | 2/04/06 | | 678 | | | | | | | 678 | 328 | S/L | 5 | | 136 |
| 120 | Computer 500GB External | 7/14/06 | | 433 | | | | | | | 433 | 174 | S/L | 5 | | 86 |
| 121 | Computer Adobe Audition | 9/18/06 | | 638 | | | | | | | 638 | 234 | S/L | 5 | | 128 |
| 122 | Computer Compaq V520 | 12/13/06 | | 1,070 | | | | | | | 1,070 | 321 | S/L | 5 | | 214 |
| 123 | Computer for Studio | 3/16/07 | | 1,100 | | | | | | | 1,100 | 293 | S/L | 5 | | 220 |
| 124 | Garned Degausser | 10/26/06 | | 1,250 | | | | | | | 1,250 | 313 | S/L | 7 | | 179 |
| 125 | Studio Equipment | 3/29/07 | | 372 | | | | | | | 372 | 71 | S/L | 7 | | 53 |
| 126 | 17 Loaner Recorders | 10/30/06 | | 202 | | | | | | | 202 | 70 | S/L | 5 | | 40 |
| 127 | 7 Loaner Recorders | 4/27/07 | | 192 | | | | | | | 192 | 54 | S/L | 5 | | 38 |
| 128 | 13 Loaner Recorders | 6/01/07 | | 217 | | | | | | | 217 | 47 | S/L | 5 | | 43 |
| 134 | 8 Loaner Recorders | 9/20/07 | | 210 | | | | | | | 210 | 35 | S/L | 5 | | 42 |
| 140 | 2 Duplicators | 10/31/08 | | 7,562 | | | | | | | 7,562 | | S/L | 7 | | 720 |
| 141 | Studio Lamp | 4/16/09 | | 207 | | | | | | | 207 | | S/L | 7 | | 7 |
| 142 | Laptop Computer | 7/09/08 | | 852 | | | | | | | 852 | | S/L | 5 | | 170 |
| 143 | 35 Loaner Recorders | 10/01/08 | | 1,303 | | | | | | | 1,303 | | S/L | 5 | | 195 |
| Total Machinery and Equipment | | | | 65,081 | | 0 | 0 | 0 | 0 | 0 | 65,081 | 43,711 | | | | 6,530 |
| Miscellaneous | | | | | | | | | | | | | | | | |
| 32 | Tapes and Albums | 1/01/87 | | 8,936 | | | | | | | 8,936 | 8,936 | S/L | 12 | | 0 |
| 33 | Tapes and Albums | 1/01/88 | | 9,633 | | | | | | | 9,633 | 9,633 | S/L | 12 | | 0 |

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2008 California Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|-----|------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 34 | Tapes and Albums | 1/01/89 | | 13,750 | | | | | | | 13,750 | 13,750 | S/L | 12 | | 0 |
| 35 | Tapes and Albums | 1/01/90 | | 10,573 | | | | | | | 10,573 | 10,573 | S/L | 12 | | 0 |
| 36 | Tapes and Albums | 1/01/91 | | 14,512 | | | | | | | 14,512 | 14,512 | S/L | 12 | | 0 |
| 37 | Tapes and Albums | 1/01/92 | | 7,175 | | | | | | | 7,175 | 7,175 | S/L | 12 | | 0 |
| 38 | Tapes and Albums | 1/01/93 | | 1,839 | | | | | | | 1,839 | 1,839 | S/L | 12 | | 0 |
| 39 | Tapes and Albums | 1/01/94 | | 9,259 | | | | | | | 9,259 | 9,259 | S/L | 12 | | 0 |
| 40 | Tapes and Albums | 1/01/95 | | 7,841 | | | | | | | 7,841 | 7,841 | S/L | 12 | | 0 |
| 41 | Tapes and Albums | 1/01/96 | | 7,462 | | | | | | | 7,462 | 7,462 | S/L | 12 | | 0 |
| 42 | Tapes and Albums | 1/01/97 | | 6,811 | | | | | | | 6,811 | 6,527 | S/L | 12 | | 284 |
| 50 | Tapes and Albums | 1/01/98 | | 6,433 | | | | | | | 6,433 | 5,639 | S/L | 12 | | 537 |
| 61 | Tapes and Albums | 1/01/99 | | 6,963 | | | | | | | 6,963 | 5,511 | S/L | 12 | | 580 |
| 62 | Tapes and Albums | 1/01/00 | | 5,821 | | | | | | | 5,821 | 4,123 | S/L | 12 | | 485 |
| 63 | Tapes and Albums | 1/01/01 | | 7,382 | | | | | | | 7,382 | 4,613 | S/L | 12 | | 616 |
| 66 | Tapes and Albums | 1/01/02 | | 2,980 | | | | | | | 2,980 | 1,614 | S/L | 12 | | 248 |
| 67 | Tapes and Albums | 1/01/03 | | 870 | | | | | | | 870 | 400 | S/L | 12 | | 73 |
| 69 | Tapes and Albums | 1/01/04 | | 10,115 | | | | | | | 10,115 | 3,793 | S/L | 12 | | 843 |
| 98 | Tapes & Albums | 1/01/05 | | 5,508 | | | | | | | 5,508 | 1,607 | S/L | 12 | | 459 |
| 99 | CDs & Albums | 1/01/05 | | 769 | | | | | | | 769 | 224 | S/L | 12 | | 64 |
| 100 | Commercial Audio Books | 9/03/04 | | 918 | | | | | | | 918 | 704 | S/L | 5 | | 184 |
| 101 | Commercial Audio Books | 11/30/04 | | 796 | | | | | | | 796 | 583 | S/L | 5 | | 159 |
| 102 | Commercial Audio Books | 1/12/05 | | 215 | | | | | | | 215 | 150 | S/L | 5 | | 43 |
| 103 | Commercial Audio Books | 3/30/05 | | 530 | | | | | | | 530 | 353 | S/L | 5 | | 106 |
| 104 | Commercial Audio Books | 6/07/05 | | 340 | | | | | | | 340 | 210 | S/L | 5 | | 68 |
| 105 | Commercial Audio Books | 6/27/05 | | 2,880 | | | | | | | 2,880 | 1,776 | S/L | 5 | | 576 |
| 106 | Commercial Audio Books | 6/28/05 | | 21,425 | | | | | | | 21,425 | 13,215 | S/L | 5 | | 4,285 |
| 107 | Commercial Audio Books | 6/30/05 | | 3,100 | | | | | | | 3,100 | 1,912 | S/L | 5 | | 620 |
| 112 | Promotional DVD | 5/11/06 | | 2,300 | | | | | | | 2,300 | 1,661 | S/L | 3 | | 639 |

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2008 California Book Depreciation Schedule

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Books Aloud, Inc.

23-7317533

| No. | Description | Date Acquired | Date Sold | Cost/ Basis | Bus. Pct. | Cur 179 Bonus | Special Depr. Allow. | Prior 179/ Bonus/ Sp. Depr. | Prior Dec. Bal. Depr. | Salvage /Basis Reductn | Depr. Basis | Prior Depr. | Method | Life | Rate | Current Depr. |
|--------------------------|------------------------|------------------|--------------|----------------|--------------|---------------------|----------------------------|--------------------------------------|-----------------------------|------------------------------|----------------|----------------|--------|------|------|------------------|
| 116 | Tapes & Albums | 1/01/06 | | 6,339 | | | | | | | 6,339 | 1,321 | S/L | 12 | | 528 |
| 117 | Commercial Audio Tapes | 12/29/05 | | 664 | | | | | | | 664 | 332 | S/L | 5 | | 133 |
| 118 | Commercial Audio Tapes | 3/30/06 | | 427 | | | | | | | 427 | 199 | S/L | 5 | | 86 |
| 119 | Commercial Audio Tapes | 5/31/06 | | 384 | | | | | | | 384 | 167 | S/L | 5 | | 76 |
| 129 | Tapes & Albums | 1/01/07 | | 7,848 | | | | | | | 7,848 | 981 | S/L | 12 | | 654 |
| 130 | Commercial Audio Books | 8/12/06 | | 211 | | | | | | | 211 | 36 | S/L | 12 | | 18 |
| 131 | Commercial Audio Books | 9/12/06 | | 15,000 | | | | | | | 15,000 | 2,292 | S/L | 12 | | 1,250 |
| 135 | Tapes & Albums | 1/01/08 | | 13,427 | | | | | | | 13,427 | 559 | S/L | 12 | | 1,119 |
| 136 | Commercial Audio Books | 9/14/07 | | 210 | | | | | | | 210 | 15 | S/L | 12 | | 17 |
| 137 | Commercial Audio Books | 6/02/08 | | 17,500 | | | | | | | 17,500 | 122 | S/L | 12 | | 1,458 |
| 138 | Commercial Audio Books | 6/19/08 | | 135 | | | | | | | 135 | 5 | S/L | 12 | | 11 |
| 144 | Tapes & Albums | 1/01/09 | | 4,828 | | | | | | | 4,828 | | S/L | 12 | | 201 |
| Total Miscellaneous | | | | 244,109 | | 0 | 0 | 0 | 0 | 0 | 244,109 | 151,624 | | | | 16,420 |
| Total Depreciation | | | | 355,902 | | 0 | 0 | 0 | 0 | 0 | 355,902 | 236,553 | | | | 25,270 |
| Grand Total Depreciation | | | | 355,902 | | 0 | 0 | 0 | 0 | 0 | 355,902 | 236,553 | | | | 25,270 |

Return of Organization Exempt From Income Tax

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

2008

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For the 2008 calendar year, or tax year beginning 7/01, 2008, and ending 6/30, 2009

| | | | |
|--|--|--|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | | Please use IRS label or print or type. See specific instructions. Books Aloud, Inc. P. O. Box 5731 San Jose, CA 95150 | D Employer Identification Number 23-7317533 E Telephone number 408-808-2613 G Gross receipts \$ 499,602. |
| F Name and address of principal officer: Same As C Above | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "No," attach a list. (see instructions) | |
| I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) H (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | J Website: G www.booksaloud.org H(c) Group exemption number G | |
| K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other G | | L Year of Formation: 1973 | M State of legal domicile: CA |

Part I Summary

| | | | | |
|-----------------------------|--|--|----------------------------|-----------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: <u>Our mission is to improve the quality of life for people unable to benefit directly from the printed page by providing a service to stimulate minds, stir emotions, and foster independence through our "Reading by Listening" program, thereby giving people a better quality of life.</u> | | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets. | | | |
| | 3 | Number of voting members of the governing body (Part VI, line 1a) | 7 | |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 7 | |
| | 5 | Total number of employees (Part V, line 2a) | 12 | |
| | 6 | Total number of volunteers (estimate if necessary) | 150 | |
| | 7a | Total gross unrelated business revenue from Part VIII, line 12, column (C) | 0. | |
| | 7b | Net unrelated business taxable income from Form 990-T, line 34 | 0. | |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year 271,332. | Current Year 497,321. |
| | 9 | Program service revenue (Part VIII, line 2g) | | |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 2,500. | 2,281. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 16,188. | |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 290,020. | 499,602. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | | |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | | |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 195,675. | 278,203. |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | | |
| | b | Total fundraising expenses (Part IX, column (D), line 25) G 13,609. | | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 94,584. | 127,970. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 290,259. | 406,173. |
| 19 | Revenue less expenses. Subtract line 18 from line 12 | -239. | 93,429. | |
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | Beginning of Year 235,055. | End of Year 327,601. |
| | 21 | Total liabilities (Part X, line 26) | 52,391. | 51,508. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 182,664. | 276,093. |

Part II Signature Block

| | | | | |
|--------------------------|---|--|--|--|
| 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 G Joyce L. Meurer Type or print name and title. | Date Executive Director | | |
| Paid Preparer's Use Only | Preparer's signature G Firm's name (or yours if self-employed), address, and ZIP + 4 Mary F. Vettorel, CPA 1952 Camden Ave., Suite 102 San Jose, CA 95124 | Date EIN G 77-0038808 Phone no. G (408) 364-2322 | Check if self-employed G <input checked="" type="checkbox"/> Preparer's identifying number (see instructions) 585-07-6705 | |

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

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

See Schedul e 0

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 377, 549. including grants of \$) (Revenue \$)

See Schedul e 0

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses G \$ 377, 549. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A | 1 | X |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | 2 | X |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I. | 3 | |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II. | 4 | X |
| 5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III. | 5 | |
| 6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I. | 6 | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II. | 7 | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III. | 8 | X |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV. | 9 | X |
| 10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V. | 10 | X |
| 11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. | 11 | X |
| 12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII. | 12 | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E. | 13 | X |
| 14a Did the organization maintain an office, employees, or agents outside of the U.S.? | 14a | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If 'Yes,' complete Schedule F, Part I. | 14b | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II. | 15 | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III. | 16 | X |
| 17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I. | 17 | X |
| 18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II. | 18 | X |
| 19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III. | 19 | X |
| 20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H. | 20 | X |
| 21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II. | 21 | X |
| 22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III. | 22 | X |
| 23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J. | 23 | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25. | 24a | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | |
| d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? | 24d | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I. | 25a | X |
| b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If 'Yes,' complete Schedule L, Part I. | 25b | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II. | 26 | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III. | 27 | X |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee: | | |
| a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If 'Yes,' complete Schedule L, Part IV..... | 28a | X |
| b Have a family member who had a direct or indirect business relationship with the organization? If 'Yes,' complete Schedule L, Part IV..... | 28b | X |
| c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If 'Yes,' complete Schedule L, Part IV..... | 28c | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M..... | 29 | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M..... | 30 | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I..... | 31 | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II..... | 32 | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I..... | 33 | X |
| 34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1..... | 34 | X |
| 35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2..... | 35 | X |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2..... | 36 | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI..... | 37 | X |

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Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

| | | Yes | No | | |
|-----|---|-----|----|---|--|
| 1a | Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable. | 1a | 1 | | |
| b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 1b | 0 | | |
| c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | X | | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 2a | 12 | | |
| 2b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions) | 2b | X | | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | 3a | | X | |
| b | If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O. | 3b | | | |
| 4a | 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)? | 4a | | X | |
| b | 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. | | | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | X | |
| b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | X | |
| c | If 'Yes,' to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | 5c | | | |
| 6a | Did the organization solicit any contributions that were not tax deductible? | 6a | | X | |
| b | If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible? | 6b | | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | | | |
| a | Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? | 7a | | X | |
| b | If 'Yes,' did the organization notify the donor of the value of the goods or services provided? | 7b | | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | X | |
| d | If 'Yes,' indicate the number of Forms 8282 filed during the year. | 7d | | | |
| e | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | X | |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | X | |
| g | For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | X | |
| h | For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | 7h | | X | |
| 8 | Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 8 | | | |
| 9 | Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds. | | | | |
| a | Did the organization make any taxable distributions under section 4966? | 9a | | | |
| b | Did the organization make any distribution to a donor, donor advisor, or related person? | 9b | | | |
| 10 | Section 501(c)(7) organizations. Enter: | | | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | | |
| b | Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | 10b | | | |
| 11 | Section 501(c)(12) organizations. Enter: | | | | |
| a | Gross income from other members or shareholders | 11a | | | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | | |
| b | If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. | 12b | | | |

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Form 990 (2008)

Part VI Governance, Management and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

| | | Yes | No |
|---|--|-----|----|
| For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions. | | | |
| 1a | Enter the number of voting members of the governing body. | 7 | |
| 1b | Enter the number of voting members that are independent. | 7 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? | 2 | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | X |
| 4 | Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? | 4 | X |
| 5 | Did the organization become aware during the year of a material diversion of the organization's assets? | 5 | X |
| 6 | Does the organization have members or stockholders? | 6 | X |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | 7a | X |
| 7b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | 7b | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | 8a | X |
| b | Each committee with authority to act on behalf of the governing body? | 8b | X |
| 9a | Does the organization have local chapters, branches, or affiliates? | 9a | X |
| b | If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | 9b | |
| 10 | Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990. See Schedule O. | 10 | X |
| 11 | Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. | 11 | X |

Section B. Policies

| | | Yes | No |
|--|--|-----|----|
| 12a | Does the organization have a written conflict of interest policy? If 'No,' go to line 13. | 12a | X |
| b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | X |
| c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. | 12c | X |
| 13 | Does the organization have a written whistleblower policy? | 13 | X |
| 14 | Does the organization have a written document retention and destruction policy? | 14 | X |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision: | | |
| a | The organization's CEO, Executive Director, or top management official? | 15a | X |
| b | Other officers of key employees of the organization? See Schedule O. | 15b | X |
| Describe the process in Schedule O. (see instructions) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | X |
| b | If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | |

Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed G CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

G Joyce L. Meurer 150 E. San Fernando Street, San Jose, CA 95112 408-808-2615

Part VIII Statement of Revenue

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|--|---|----------------|---------------|----------------------|--|---|---|
| CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS | 1a Federated campaigns | 1a | | | | | |
| | b Membership dues | 1b | | | | | |
| | c Fundraising events | 1c | | | | | |
| | d Related organizations | 1d | | | | | |
| | e Government grants (contributions) | 1e | 39, 206. | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 458, 115. | | | | |
| | g Noncash contribns included in Ins 1a-1f: | | \$ | | | | |
| | h Total. Add lines 1a-1f: | G | 497, 321. | | | | |
| PROGRAM SERVICE REVENUE | Business Code | | | | | | |
| | 2a | | | | | | |
| | b | | | | | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f All other program service revenue | | | | | | |
| | g Total. Add lines 2a-2f: | G | | | | | |
| OTHER REVENUE | 3 Investment income (including dividends, interest and other similar amounts) | G | 2, 281. | | | 2, 281. | |
| | 4 Income from investment of tax-exempt bond proceeds | G | | | | | |
| | 5 Royalties | G | | | | | |
| | | (i) Real | (ii) Personal | | | | |
| | 6a Gross Rents | | | | | | |
| | b Less: rental expenses | | | | | | |
| | c Rental income or (loss) | | | | | | |
| | d Net rental income or (loss) | G | | | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | | |
| | b Less: cost or other basis and sales expenses | | | | | | |
| | c Gain or (loss) | | | | | | |
| | d Net gain or (loss) | G | | | | | |
| | 8a Gross income from fundraising events (not including: \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from fundraising events | G | | | | | |
| | 9a Gross income from gaming activities. See Part IV, line 19 | a | | | | | |
| | b Less: direct expenses | b | | | | | |
| | c Net income or (loss) from gaming activities | G | | | | | |
| | 10a Gross sales of inventory, less returns and allowances | a | | | | | |
| | b Less: cost of goods sold | b | | | | | |
| c Net income or (loss) from sales of inventory | G | | | | | | |
| Miscellaneous Revenue | | Business Code | | | | | |
| 11a | | | | | | | |
| b | | | | | | | |
| c | | | | | | | |
| d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d: | G | | | | | | |
| 12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e | G | 499, 602. | 0. | 0. | 2, 281. | | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21. | | | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 92,400. | 73,920. | 9,240. | 9,240. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B). | 0. | 0. | 0. | 0. |
| 7 Other salaries and wages. | 153,053. | 153,053. | | |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions). | | | | |
| 9 Other employee benefits. | 9,898. | 9,898. | | |
| 10 Payroll taxes. | 22,852. | 21,024. | 914. | 914. |
| 11 Fees for services (non-employees). | | | | |
| a Management. | | | | |
| b Legal. | | | | |
| c Accounting. | 2,400. | | 2,400. | |
| d Lobbying. | | | | |
| e Prof fundraising svcs. See Part IV, ln 17. | | | | |
| f Investment management fees. | | | | |
| g Other. | 1,345. | 1,345. | | |
| 12 Advertising and promotion. | | | | |
| 13 Office expenses. | 4,339. | 3,991. | 174. | 174. |
| 14 Information technology. | | | | |
| 15 Royalties. | | | | |
| 16 Occupancy. | | | | |
| 17 Travel. | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | 100. | 100. | | |
| 20 Interest. | | | | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 25,270. | 24,478. | 207. | 585. |
| 23 Insurance. | 4,356. | 2,795. | 1,439. | 122. |
| 24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.) | | | | |
| a <u>Donation of Commercial Tapes</u> | 44,604. | 44,604. | | |
| b <u>Program Promotion</u> | 7,743. | 7,743. | | |
| c <u>Book Mailers & Oper Supplies</u> | 7,671. | 7,671. | | |
| d <u>Damaged Tapes Discarded</u> | 6,288. | 6,288. | | |
| e <u>Equipt Maintenance Contract</u> | 5,940. | 5,464. | 238. | 238. |
| f All other expenses. | 17,914. | 15,175. | 403. | 2,336. |
| 25 Total functional expenses. Add lines 1 through 24f. | 406,173. | 377,549. | 15,015. | 13,609. |
| 26 Joint Costs. Check here G <input checked="" type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | 3,858. | 1,929. | | 1,929. |

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Form 990 (2008)

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|--|---|--------------------------|----------|--------------------|
| ASSETS | 1 Cash ' non-interest-bearing | 59. | 1 | |
| | 2 Savings and temporary cash investments | 77,602. | 2 | 233,524. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | | 4 | |
| | 5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L | | 5 | |
| | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 932. | 8 | |
| | 9 Prepaid expenses and deferred charges | 31. | 9 | |
| | 10a Land, buildings, and equipment: cost basis | 10a 355,900. | | |
| | b Less: accumulated depreciation. Complete Part VI of Schedule D | 10b 261,823. | 10c | 94,077. |
| | 11 Investments ' publicly-traded securities | | 11 | |
| | 12 Investments ' other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments ' program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | | 15 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 235,055. | 16 | 327,601. | |
| LIABILITIES | 17 Accounts payable and accrued expenses | | 17 | |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 50,000. | 23 | 50,000. |
| | 24 Unsecured notes and loans payable | | 24 | |
| | 25 Other liabilities. Complete Part X of Schedule D | 2,391. | 25 | 1,508. |
| | 26 Total liabilities. Add lines 17 through 25 | 52,391. | 26 | 51,508. |
| NET ASSETS OR FUND BALANCES | Organizations that follow SFAS 117, check here G <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | -73,767. | 27 | 82,016. |
| | 28 Temporarily restricted net assets | | 28 | |
| | 29 Permanently restricted net assets | 256,431. | 29 | 194,077. |
| | Organizations that do not follow SFAS 117, check here G <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, and equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 Total net assets or fund balances | 182,664. | 33 | 276,093. |
| | 34 Total liabilities and net assets/fund balances | 235,055. | 34 | 327,601. |

Part XI Financial Statements and Reporting

| | | Yes | No |
|----|---|-----|----|
| 1 | Accounting method used to prepare the Form 990: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other | | |
| 2a | Were the organization's financial statements compiled or reviewed by an independent accountant? | | X |
| b | Were the organization's financial statements audited by an independent accountant? | | X |
| c | If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | | |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| b | If 'Yes,' did the organization undergo the required audit or audits? | | |

BAA

Form 990 (2008)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501 (c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

G Attach to Form 990 or Form 990-EZ. G See separate instructions.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1 ☐ A church, convention of churches or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions ' subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I
 - b ☐ Type II
 - c ☐ Type III ' Functionally integrated
 - d ☐ Type III' Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

| | Yes | No |
|------------|-----|----|
| 11 g (i) | | |
| 11 g (ii) | | |
| 11 g (iii) | | |

h Provide the following information about the organizations the organization supports.

| (i) Name of Supported Organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of Support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
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| Total | | | | | | | | | |

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

Schedule A (Form 990 or 990-EZ) 2008

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|---|----------|----------|----------|----------|----------|------------|
| 1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.) | 322,585. | 245,871. | 281,889. | 271,332. | 224,480. | 1,346,157. |
| 2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf. | | | | | | 0. |
| 3 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. | 114,660. | 114,660. | 114,660. | 114,660. | 114,660. | 573,300. |
| 4 Total. Add lines 1-3. | 437,245. | 360,531. | 396,549. | 385,992. | 339,140. | 1,919,457. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). | | | | | | 383,187. |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 1,536,270. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|---|----------|----------|----------|----------|----------|----------------------------|
| 7 Amounts from line 4. | 437,245. | 360,531. | 396,549. | 385,992. | 339,140. | 1,919,457. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. | 6,369. | 4,963. | 229. | 2,500. | 2,281. | 16,342. |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on. | | | | | | 0. |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | 0. |
| 11 Total support. Add lines 7 through 10. | | | | | | 1,935,799. |
| 12 Gross receipts from related activities, etc. (see instructions). | | | | | 12 | 0. |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. | | | | | | G <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|---------------------------------------|--------|
| 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)). | 14 | 79.4 % |
| 15 Public support percentage for 2007 Schedule A, Part IV-A, line 26f. | 15 | 82.1 % |
| 16a 33-1/3 support test - 2008. If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. | G <input checked="" type="checkbox"/> | |
| b 33-1/3 support test - 2007. If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| 17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. | G <input type="checkbox"/> | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

| Calendar year (or fiscal yr beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.) | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1-5 | | | | | | |
| 7a Amounts included on lines 1, 2, 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal yr beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (add lns 9, 10c, 11, and 12.) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

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

| | | |
|--|----|---|
| 15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)). | 15 | % |
| 16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|----|---|
| 17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)). | 17 | % |
| 18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h | 18 | % |

19a 33-1/3 support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

G ☐

b 33-1/3 support tests - 2007. If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

G ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

G ☐

Part IV

Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

[illegible]

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

G Attach to Form 990, 990-EZ and 990-PF
G See separate instructions.

OMB No. 1545-0047

2008

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

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 (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. 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 answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their 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 Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

Books Aloud, Inc.

23-7317533

Part I Contributors (see instructions.)

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|---------------|--|-----------------------------------|--|
| 1 | George H. Sandy Foundation P. O. Box 591717 San Francisco, CA 94159 | \$ 20,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 2 | City of San Jose 200 E. Santa Clara Ave San Jose, CA 95113 | \$ 39,206. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 3 | E & J Colombo Charitable Trust P. O. Box 1121 San Jose, CA 95108 | \$ 45,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 4 | The Valley Foundation 16450 Los Gatos Blvd Ste 210 Los Gatos, CA 95032 | \$ 50,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 5 | Leo M Shortino Family Foundati 1760 The Alameda San Jose, CA 95126 | \$ 25,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 6 | Shirley M. Gilman IRA 1 North Jefferson St Louis, MO 63103 | \$ 272,841. | 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

Books Al oud, I nc.

23-7317533

Part II Noncash Property (see instructions.)

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

Employer identification number

Books Al oud, I nc.

23-7317533

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 |
| | | | |
| | | | |
| | | | |
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| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
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| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
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| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
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| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
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| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Attach to Form 990. To be completed by organizations that
answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

Books Al oud, Inc.

Employer identification number

23-7317533

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if
the organization answered 'Yes' to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|------------------------------|
| 1 Total number at end of year. | | |
| 2 Aggregate contributions to (during year). | | |
| 3 Aggregate grants from (during year). | | |
| 4 Aggregate value at end of year. | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?? <input type="checkbox"/> Yes <input type="checkbox"/> No | | |

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Year |
|--|-----------------------------|
| a Total number of conservation easements. | 2a |
| b Total acreage restricted by conservation easements. | 2b |
| c Number of conservation easements on a certified historic structure included in (a). | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06. | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year G _____

4 Number of states where property subject to conservation easement is located G _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easement it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year G _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year G \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets
Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1. G\$ _____

(ii) Assets included in Form 990, Part X. G\$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1. G\$ _____

b Assets included in Form 990, Part X. G\$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

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

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

b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1 a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Investment earnings or losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

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

a Board designated or quasi-endowment G _____ %

b Permanent endowment G _____ %

c Term endowment G _____ %

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

(i) unrelated organizations 3a(i) ☐ Yes ☐ No

(ii) related organizations 3a(ii) ☐ Yes ☐ No

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? 3b ☐ Yes ☐ No

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

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

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Depreciation | (d) Book Value |
|--|--------------------------------------|---------------------------------|------------------|----------------|
| 1 a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 70, 950. | 55, 524. | 15, 426. |
| e Other | | 284, 950. | 206, 299. | 78, 651. |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) G | | | | 94, 077. |

BAA

Schedule D (Form 990) 2008

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

| Part XII | Reconciliation of Revenue per Audited Financial Statements With Revenue per Return | N/A |
|----------|---|-----|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | |
| a | Net unrealized gains on investments | 2a |
| b | Donated services and use of facilities | 2b |
| c | Recoveries of prior year grants | 2c |
| d | Other (Describe in Part XIV) | 2d |
| e | Add lines 2a through 2d | 2e |
| 3 | Subtract line 2e from line 1 | 3 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a |
| b | Other (Describe in Part XIV) | 4b |
| c | Add lines 4a and 4b | 4c |
| 5 | Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.) | 5 |

| Part XIII | Reconciliation of Expenses per Audited Financial Statements With Expenses per Return | N/A |
|-----------|--|-----|
| 1 | Total expenses and losses per audited financial statements | 1 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | |
| a | Donated services and use of facilities | 2a |
| b | Prior year adjustments | 2b |
| c | Losses reported on Form 990, Part IX, line 25 | 2c |
| d | Other (Describe in Part XIV) | 2d |
| e | Add lines 2a through 2d | 2e |
| 3 | Subtract line 2e from line 1 | 3 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a |
| b | Other (Describe in Part XIV) | 4b |
| c | Add lines 4a and 4b | 4c |
| 5 | Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.) | 5 |

| Part XIV | Supplemental Information |
|----------|--------------------------|
|----------|--------------------------|

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

[illegible]

Transactions with Interested Persons

G Attach to Form 990 or Form 990-EZ.
G To be completed by organizations that answered
'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.

2008

Open to Public
Inspection

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

| | |
|--------|---|
| Part I | Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only). |
|--------|---|

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

[illegible]

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

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

| | |
|---------|--|
| Part II | Loans to and/or From Interested Persons. |
|---------|--|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

[illegible]

Total G \$

| | |
|----------|--|
| Part III | Grants or Assistance Benefitting Interested Persons. |
|----------|--|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 27.

[illegible]

| | |
|---------|---|
| Part IV | Business Transactions Involving Interested Persons. |
|---------|---|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction \$ | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|------------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| Mark Rickert | Board Member | 5,940. | Computer Maintenance | | X |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No. 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

G Attach to Form 990. To be completed by organizations to provide
additional information for responses to specific questions for the
Form 990 or to provide any additional information.

Name of the organization

Books Aloud, Inc.

Employer identification number

23-7317533

Form 990, Part III, Line 1 - Organization Mission

Our mission is to improve the quality of life for people unable to benefit directly from the printed page, by providing a service to stimulate minds, stir emotions, and foster independence through our "Reading by Listening" program, thereby giving people a better quality of life.

Form 990, Part III, Line 4a - Program Service Accomplishments

The program service activity provided by Books Aloud, Inc is a free lending library of books recorded by volunteer voices on cassette tapes and CDs for those who can only read by listening... the blind and disabled. During fiscal year ended June 30, 2009, 210 new recorded book titles were added to the library. A selection committee of volunteers met regularly to plan for excellence in book material. 24,414 albums were in circulation during this fiscal year, providing an average of 13,488 listening hours, each month. The average book taped by volunteers is from 200 to 400 pages and takes about four to twelve cassettes to record. Staff and volunteers duplicate each master tape, so that many albums of the book are available for circulation. Tapes are mailed out for 30 to 60 days to a client. Client files are maintained to record preference to type of books, book requests and other information in order to service each client individually. In addition, many schools, hospitals and senior citizen facilities and organizations use the services. This year thirty-six mini satellite libraries were serviced in collaboration with senior homes and twenty two Special Education Classes in Santa Clara County School Systems. Home deliveries continue by staff and volunteers using the donated delivery vehicle. While clients are mainly located in California, 15% of the taped books are loaned to clients out-of-state. The Lions Club's monthly magazine is recorded and sent to an average of 140 blind members of Lions Clubs in the United States, Canada and four other countries. In this fiscal year, the volunteer voices also recorded the quarterly newsletter, many

Name of the organization

Books Aloud, Inc.

Employer identification number

23-7317533

Form 990, Part III, Line 4a - Program Service Accomplishments (continued)

community service materials for the City of San Jose, the County of Santa Clara, various community service organizations and art agencies for distribution to blind and disabled persons. An average of 68 volunteers assist the staff every month with work of the program, ranging from cataloging, circulation, editing, repair, mailing and making labels in Braille for the cassettes and albums. An average of 80 individuals record the books, magazines and city and county informational materials in the recording booth every month. Portable tape recorders are available to loan to clients. Government support is realized by the provisions of US PO Free Matter for the Blind mailing and the use of occupancy and delivery by the San Jose Public Library. This year the "Sight & Sound" project was enlarged due to the requests from parents and teachers of the learning disabled and dyslexic students. The audio book along with the printed book is sent to this classification of clients, thereby, increasing their ability of becoming "readers". We currently have over 800 kits. Due to the availability of commercially recorded audio books, we now have an even greater number of titles for our disabled clients. Commercially recorded books have been donated to Books Aloud, which in turn, are assembled and placed in the collection and available for distribution to our clients. This year we placed over 500 commercially recorded albums in our collection.

Form 990, Part VI, Line 10 - Form 990 Review Process

Presented to and Reviewed by Executive Director Prior to Filing

Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees

Annual employee reviews with discussion and approval by Board of Directors

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

Form 990 available annually on charity website. A copy of the Form 990 is given or mailed to anyone requesting a copy.

Application for Extension of Time To File an
Exempt Organization Return

OMB No. 1545-1709

G File a separate application for each return.

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

? If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension ' check this box and complete Part I only G ☐

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

| | | |
|---|--|--------------------------------|
| Type or print File by the due date for filing your return. See instructions. | Name of Exempt Organization | Employer identification number |
| | Books Aloud, Inc. | 23-7317533 |
| | Number, street, and room or suite number. If a P.O. box, see instructions. | |
| | P. O. Box 5731 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | San Jose, CA 95150 | |

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

| | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

? The books are in the care of G Joyce L. MeurerTelephone No. G 408-808-2615 FAX No. G? If the organization does not have an office or place of business in the United States, check this box G ☐? If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . G ☐ . If it is for part of the group, check this box . G ☐ and attach a list with the names and EINs of all members the extension will cover.

| | |
|--|----------|
| 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until <u>2/15</u> , 20 <u>10</u> , to file the exempt organization return for the organization named above. The extension is for the organization's return for: G <input type="checkbox"/> calendar year 20 ____ or G <input checked="" type="checkbox"/> tax year beginning <u>7/01</u> , 20 <u>08</u> , and ending <u>6/30</u> , 20 <u>09</u> . | |
| 2 If this tax year is for less than 12 months, check reason: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Change in accounting period | |
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 3a \$ 0. |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit | 3b \$ 0. |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 3c \$ 0. |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 4-2009)

TAXABLE YEAR **2008** California Exempt Organization
Annual Information Return

FORM

199

Calendar year 2008 or fiscal year beginning month **07** day **01** year **2008**, and ending month **06** day **30** year **2009**

A First Return Filed? ☐ Yes ☒ No B Type of organization Exempt under Section 23701 **D** (insert letter)
IRC Section 4947(a)(1) trust ☐

Corporation/Organization Name **BOOKS ALOUD, INC.** Address **P. O. BOX 5731**
City **SAN JOSE, CA** State **CA** ZIP Code **95150**

FEIN **23-7317533**

C Amended Return? ☐ Yes ☒ No
D Are you a subordinate/affiliate in a group exemption? ☐ Yes ☒ No
a Is this a group filing for affiliates? See General Instruction L. ☐ Yes ☒ No
b If 'Yes,' enter the number of affiliates ☐ Yes ☒ No
c Are all affiliates included? (If 'No,' attach a list. See instructions.) ☒ Yes ☐ No
d Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No
e Federal Group Exemption Number ☐ Yes ☒ No
f Is a roster of subordinates attached? ☐ Yes ☒ No
E Final return? ☐ Dissolved ☐ Surrendered (Withdrawn) ☐ Merged/Reorganized (attach explanation)
If a box is checked, enter date ☐ ☐
F Check the box if the organization filed: 1 ☐ 990T 2 ☐ 990PF 3 ☐ 990H
G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F. No filing fee is required. ☐ ☒
H Accounting method used 1 ☒ Cash 2 ☐ Accrual 3 ☐ Other
I 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
J 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
K Is the organization exempt under R&TC Section 23701g? ☐ Yes ☒ No
If 'Yes,' enter amount of gross receipts from nonmember sources. \$ ☐
L Is the organization under audit by the IRS or has the IRS audited in a prior year? ☐ Yes ☒ No
M Is the organization a Limited Liability Corporation? ☐ Yes ☒ No
N Did the organization file Form 100 or Form 109 to report taxable income? ☐ Yes ☒ No

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

| | | | | |
|--------------------------|--|--|---|--|
| Receipts and Revenues | 1 | Gross sales or receipts from other sources. From Side 2, Part II, line 8. | @ 1 | 2,281. |
| | 2 | Gross dues and assessments from members and affiliates | @ 2 | |
| | 3 | Gross contributions, gifts, grants, and similar amounts received. SEE SCH. B | @ 3 | 497,321. |
| | 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 | 499,602. |
| | 5 | Cost of goods sold | @ 5 | |
| | 6 | Cost or other basis, and sales expenses of assets sold. | @ 6 | |
| | 7 | Total costs. Add line 5 and line 6 | 7 | |
| | 8 | Total gross income. Subtract line 7 from line 4 | @ 8 | 499,602. |
| Expenses | 9 | Total expenses and disbursements. From Side 2, Part II, line 18. | @ 9 | 406,173. |
| | 10 | Excess of receipts over expenses and disbursements. Subtract line 9 from line 8. | @ 10 | 93,429. |
| Filing Fee | 11 | Filing fee \$10 or \$25. See General Instruction F. | 11 | |
| | 12 | Total Payments | 12 | |
| | 13 | Penalties and Interest. See General Instruction J. | 13 | |
| | 14 | Use tax. See General Instruction K. | @ 14 | |
| | 15 | Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result | 15 | |
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. | | | |
| | Signature of officer G | Title EXECUTIVE DIRECTOR | Date | @ Telephone 408-808-2613 |
| Paid Preparer's Use Only | Preparer's signature G | Date | Check if self-employed G <input checked="" type="checkbox"/> | @ Preparer's SSN/PTIN 585-07-6705 |
| | Firm's name (or yours, if self-employed) and address G | MARY F. VETTOREL, CPA | | @ FEIN 77-0038808 |
| | 1952 CAMDEN AVE., SUITE 102 | | @ Telephone (408) 364-2322 | |
| | SAN JOSE, CA 95124 | | | |
| | May the FTB discuss this return with the preparer shown above? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | |

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 | 2,281. |
| | 3 | Dividends | @ 3 | |
| | 4 | Gross rents | @ 4 | |
| | 5 | Gross royalties | @ 5 | |
| | 6 | Gross amount received from sale of assets (See Instructions) | @ 6 | |
| | 7 | Other income. Attach schedule | @ 7 | |
| | 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 | 2,281. |
| Expenses and Disbursements | 9 | Contributions, gifts, grants, and similar amounts paid. Attach schedule. | @ 9 | |
| | 10 | Disbursements to or for members. | @ 10 | |
| | 11 | Compensation of officers, directors, and trustees. Attach schedule SEE STATEMENT 1 | @ 11 | 92,400. |
| | 12 | Other salaries and wages | @ 12 | 153,053. |
| | 13 | Interest | @ 13 | |
| | 14 | Taxes | @ 14 | 22,852. |
| | 15 | Rents | @ 15 | |
| | 16 | Depreciation and depletion (See Instructions) | @ 16 | 25,270. |
| | 17 | Other. Attach schedule SEE STATEMENT 2 | @ 17 | 112,598. |
| | 18 | Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9. | 18 | 406,173. |

Schedule L Balance Sheets

| | | Beginning of taxable year | | End of taxable year | |
|----------------------------------|--|---------------------------|----------|---------------------|------------|
| Assets | | (a) | (b) | (c) | (d) |
| 1 | Cash | | 77,661. | | @ 233,524. |
| 2 | Net accounts receivable | | | | @ |
| 3 | Net notes receivable. Attach schedule | | | | @ |
| 4 | Inventories | | 932. | | @ |
| 5 | Federal and state government obligations | | | | @ |
| 6 | Investments in other bonds. Attach sch. | | | | @ |
| 7 | Investments in stock. Attach schedule | | | | @ |
| 8 | Mortgage loans (number of loans _____) | | | | @ |
| 9 | Other investments. Attach schedule. | | | | @ |
| 10a | Depreciable assets | 456,026. | | 355,900. | |
| b | Less accumulated depreciation. | 299,595. | 156,431. | 261,823. | 94,077. |
| 11 | Land | | | | @ |
| 12 | Other assets. Attach schedule. | | 31. | | @ |
| 13 | Total assets | | 235,055. | | 327,601. |
| Liabilities and net worth | | | | | |
| 14 | Accounts payable | | | | @ |
| 15 | Contributions, gifts, or grants payable. | | | | @ |
| 16 | Bonds and notes payable. Attach schedule. | | | | @ |
| 17 | Mortgages payable | | 50,000. | | @ 50,000. |
| 18 | Other liabilities. Attach schedule. STM 3 | | 2,391. | | 1,508. |
| 19 | Capital stock or principle fund | | 182,664. | | @ 276,093. |
| 20 | Paid-in or capital surplus. Attach reconciliation | | | | @ |
| 21 | Retained earnings or income fund | | | | @ |
| 22 | Total liabilities and net worth | | 235,055. | | 327,601. |

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 | @ 93,429. | 7 | Income recorded on books this year not included in this return. | |
| 2 | Federal income tax | @ | | Attach schedule. | @ |
| 3 | Excess of capital losses over capital gains | @ | 8 | Deductions in this return not charged against book income this year. | |
| 4 | Income not recorded on books this year. Attach schedule | @ | | Attach schedule. | @ |
| 5 | Expenses recorded on books this year not deducted in this return. Attach schedule | @ | 9 | Total. Add line 7 and line 8 | |
| 6 | Total. | | 10 | Net income per return. | |
| | Add line 1 through line 5 | 93,429. | | Subtract line 9 from line 6 | 93,429. |

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

Department of the Treasury
Internal Revenue Service

California Copy
Schedule of Contributors
G Attach to Form 990, 990-EZ and 990-PF
G See separate instructions.

OMB No. 1545-0047

2008

Name of the organization

Books Aloud, Inc.

Employer identification number

23-7317533

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 (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. 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 answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their 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 Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

Books Aloud, Inc.

23-7317533

Part I Contributors (see instructions.)

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|---------------|--|-----------------------------------|--|
| 1 | George H. Sandy Foundation P. O. Box 591717 San Francisco, CA 94159 | \$ 20,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 2 | Variety Audio Foundation P. O. Box 5731 San Jose, CA 95150 | \$ 6,110. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 3 | City of San Jose 200 E. Santa Clara Ave San Jose, CA 95113 | \$ 39,206. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 4 | Leventon Family Trust 2387 Cory Avenue San Jose, CA 95128 | \$ 6,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 5 | E & J Colombo Charitable Trust P. O. Box 1121 San Jose, CA 95108 | \$ 45,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 6 | The Valley Foundation 16450 Los Gatos Blvd Ste 210 Los Gatos, CA 95032 | \$ 50,000. | 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

Books Aloud, Inc.

23-7317533

Part I Contributors (see instructions.)

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|---------------|--|-----------------------------------|--|
| 7 | Leo M Shortino Family Foundati 1760 The Alameda San Jose, CA 95126 | \$ 25,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 8 | Shirley M. Gilman IRA 1 North Jefferson St Louis, MO 63103 | \$ 272,841. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 9 | Kiwanis Club of San Jose PO Box 4855 San Jose, CA 95150-4855 | \$ 6,000. | 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

Books Al oud, I nc.

23-7317533

Part II Noncash Property (see instructions.)

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

Employer identification number

Books Al oud, I nc.

23-7317533

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 |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
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| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
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| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
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| | | | |
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| | | | |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | BRaille TYPEWRIT | 12/01/75 | 150. | 150. | S/L | 15 | | |
| | FILE CABINETS | 5/01/78 | 145. | 145. | S/L | 15 | | |
| | FILE CABINET | 5/01/79 | 237. | 237. | S/L | 15 | | |
| | TABLE, CABINET, | 9/01/79 | 289. | 289. | S/L | 15 | | |
| | 5 CABINETS, TABL | 6/01/80 | 1,148. | 1,148. | S/L | 15 | | |
| | FILE CABINETS | 6/01/81 | 726. | 726. | S/L | 15 | | |
| | 4 CABINETS | 12/01/81 | 656. | 656. | S/L | 15 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | 25,270. | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | 22 | |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I** Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | 2 TAPE CABINETS | 10/01/82 | 632. | 632. | S/L | 15 | | |
| | FILE CABINET | 6/01/84 | 148. | 148. | S/L | 15 | | |
| | CABINETS, BOOK TR | 6/01/85 | 863. | 863. | S/L | 15 | | |
| | CABINETS | 6/01/86 | 515. | 515. | S/L | 15 | | |
| | 5-SHELF CABINET | 12/01/86 | 310. | 310. | S/L | 15 | | |
| | CABINETS | 12/01/86 | 385. | 385. | S/L | 10 | | |
| | CABINET | 1/01/87 | 347. | 347. | S/L | 15 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | CASSETTE CABINET | 2/01/88 | 1,708. | 1,708. | S/L | 10 | | |
| | CABINET | 3/01/89 | 1,277. | 1,277. | S/L | 10 | | |
| | FILE & CASSETTE | 5/01/90 | 1,677. | 1,677. | S/L | 10 | | |
| | BOOK TRUCK | 6/01/91 | 398. | 398. | S/L | 10 | | |
| | CABINETS | 3/01/92 | 382. | 382. | S/L | 10 | | |
| | BINDER,CALCULATO | 3/01/92 | 651. | 651. | S/L | 5 | | |
| | BOOK TRUCK & CAB | 5/01/93 | 5,214. | 5,214. | S/L | 10 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | ELECTRIC BRAILLE | 8/01/92 | 925. | 925. | S/L | 5 | | |
| | DONOR PERFECT SO | 5/01/93 | 3,083. | 3,083. | S/L | 5 | | |
| | SCANNER AND WAND | 1/01/94 | 560. | 560. | S/L | 5 | | |
| | SCANNER EQUIPMEN | 1/20/95 | 536. | 536. | S/L | 5 | | |
| | SCANNER EQUIPMEN | 1/01/96 | 765. | 765. | S/L | 5 | | |
| | TAPES AND ALBUMS | 1/01/87 | 8,936. | 8,936. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/88 | 9,633. | 9,633. | S/L | 12 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44 | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | | 22 |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | TAPES AND ALBUMS | 1/01/89 | 13,750. | 13,750. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/90 | 10,573. | 10,573. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/91 | 14,512. | 14,512. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/92 | 7,175. | 7,175. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/93 | 1,839. | 1,839. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/94 | 9,259. | 9,259. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/95 | 7,841. | 7,841. | S/L | 12 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | | 22 |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I Election to Expense Certain Property Under IRC Section 179**

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | TAPES AND ALBUMS | 1/01/96 | 7,462. | 7,462. | S/L | 12 | | |
| | TAPES AND ALBUMS | 1/01/97 | 6,811. | 6,527. | S/L | 12 | 284. | |
| | CHAIRS | 5/02/97 | 1,324. | 1,324. | S/L | 10 | | |
| | PRINTER-CIRCULAT | 10/21/96 | 287. | 287. | S/L | 5 | | |
| | SCANNERS | 3/03/97 | 977. | 977. | S/L | 5 | | |
| | MUSIC STAND | 6/09/97 | 49. | 49. | S/L | 10 | | |
| | TAPES AND ALBUMS | 1/01/98 | 6,433. | 5,639. | S/L | 12 | 537. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44 | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | CHAIRS | 7/01/97 | 1,000. | 1,000. | S/L | 7 | | |
| | PICTURE | 9/03/97 | 116. | 116. | S/L | 10 | | |
| | CD SCANNERS-2 | 7/29/97 | 1,094. | 1,094. | S/L | 5 | | |
| | TYPEWRITER | 8/27/98 | 113. | 113. | S/L | 5 | | |
| | CASSETTE CABINET | 12/02/98 | 4,839. | 4,598. | S/L | 10 | 241. | |
| | COMPUTER EQUIPME | 7/10/98 | 1,176. | 1,176. | S/L | 5 | | |
| | COMPUTER PRINTER | 1/21/99 | 513. | 513. | S/L | 5 | | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44 | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | | 22 |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I Election to Expense Certain Property Under IRC Section 179**

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | COMPUTER PRINTER | 6/02/99 | 991. | 991. | S/L | 5 | | |
| | TAPES AND ALBUMS | 1/01/99 | 6,963. | 5,511. | S/L | 12 | 580. | |
| | TAPES AND ALBUMS | 1/01/00 | 5,821. | 4,123. | S/L | 12 | 485. | |
| | TAPES AND ALBUMS | 1/01/01 | 7,382. | 4,613. | S/L | 12 | 616. | |
| | OTARI DUPLICATOR | 8/16/01 | 6,745. | 6,667. | S/L | 7 | 78. | |
| | DOT MATRIX PRINT | 4/30/02 | 372. | 372. | S/L | 5 | | |
| | TAPES AND ALBUMS | 1/01/02 | 2,980. | 1,614. | S/L | 12 | 248. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I** Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5. | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | TAPES AND ALBUMS | 1/01/03 | 870. | 400. | S/L | 12 | 73. | |
| | COMPUTER EQUIPME | 7/31/02 | 824. | 824. | S/L | 5 | | |
| | TAPES AND ALBUMS | 1/01/04 | 10,115. | 3,793. | S/L | 12 | 843. | |
| | SILK PLANTS | 8/05/03 | 290. | 202. | S/L | 7 | 42. | |
| | KONICA 7055 COPI | 8/04/03 | 10,000. | 9,833. | S/L | 5 | 167. | |
| | LAMINATOR | 8/07/03 | 75. | 74. | S/L | 5 | 1. | |
| | CONFERENCE TABLE | 8/14/03 | 2,500. | 1,229. | S/L | 10 | 250. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | CASSETTE CABINET | 12/18/03 | 517. | 255. | S/L | 10 | 52. | |
| | BRAILLER | 6/30/04 | 1,140. | 931. | S/L | 5 | 209. | |
| | HP LAZERJET PRIN | 8/07/03 | 500. | 492. | S/L | 5 | 8. | |
| | DELL POWEREDGE S | 1/12/04 | 4,196. | 3,776. | S/L | 5 | 420. | |
| | 5 LIGHTLANE WORK | 1/26/04 | 5,385. | 4,846. | S/L | 5 | 539. | |
| | 7 LIGHTLANE SYST | 2/17/04 | 4,236. | 3,741. | S/L | 5 | 495. | |
| | 13 UPS EMERGENY | 6/30/04 | 617. | 503. | S/L | 5 | 114. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| 12 | LOANER HEAD S | 4/09/04 | 211. | 179. | S/L | 5 | 32. | |
| 2 | SONY TAPE DEC | 7/02/03 | 1,126. | 805. | S/L | 7 | 161. | |
| | MICROPHONE, FOA | 12/10/03 | 899. | 589. | S/L | 7 | 128. | |
| | BOOTH TABLE & PL | 12/30/03 | 179. | 82. | S/L | 10 | 18. | |
| | CD RECORDER | 3/18/04 | 665. | 412. | S/L | 7 | 95. | |
| | STUDIO EQUIPT | 12/13/03 | 1,200. | 785. | S/L | 7 | 171. | |
| 9 | LOANER RECORDER | 7/13/04 | 715. | 572. | S/L | 5 | 143. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44 | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I** Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| 2 | LOANER RECORDER | 5/08/05 | 145. | 92. | S/L | 5 | 29. | |
| 4 | LOANER RECORDER | 6/18/05 | 177. | 108. | S/L | 5 | 35. | |
| 9 | LOANER RECORDER | 6/20/05 | 568. | 351. | S/L | 5 | 114. | |
| 3 | DVD PLAYERS | 3/30/05 | 227. | 151. | S/L | 5 | 45. | |
| | LAPTOP COMPUTER | 2/08/05 | 1,437. | 981. | S/L | 5 | 288. | |
| | LAPTOP COMPUTER | 2/22/05 | 1,032. | 704. | S/L | 5 | 207. | |
| 5 | BARCODE SCANNER | 2/28/05 | 2,177. | 1,486. | S/L | 5 | 436. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

BOOKS ALOUD, INC.**D-0687948****Part I** Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | DELIVERY VEHICLE | 12/17/04 | 5,870. | 4,109. | S/L | 5 | 1,174. | |
| | TAPES & ALBUMS | 1/01/05 | 5,508. | 1,607. | S/L | 12 | 459. | |
| | CDS & ALBUMS | 1/01/05 | 769. | 224. | S/L | 12 | 64. | |
| | COMMERCIAL AUDIO | 9/03/04 | 918. | 704. | S/L | 5 | 184. | |
| | COMMERCIAL AUDIO | 11/30/04 | 796. | 583. | S/L | 5 | 159. | |
| | COMMERCIAL AUDIO | 1/12/05 | 215. | 150. | S/L | 5 | 43. | |
| | COMMERCIAL AUDIO | 3/30/05 | 530. | 353. | S/L | 5 | 106. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22 | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12 | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | COMMERCIAL AUDIO | 6/07/05 | 340. | 210. | S/L | 5 | 68. | |
| | COMMERCIAL AUDIO | 6/27/05 | 2,880. | 1,776. | S/L | 5 | 576. | |
| | COMMERCIAL AUDIO | 6/28/05 | 21,425. | 13,215. | S/L | 5 | 4,285. | |
| | COMMERCIAL AUDIO | 6/30/05 | 3,100. | 1,912. | S/L | 5 | 620. | |
| | SONICWALL FIREWA | 7/05/05 | 731. | 438. | S/L | 5 | 146. | |
| | VIEWSONIC MONITO | 1/21/06 | 433. | 217. | S/L | 5 | 87. | |
| | EPSON RX50 | 3/30/06 | 230. | 107. | S/L | 5 | 46. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | YAMAHA AMPLIFIER | 5/31/06 | 2,145. | 930. | S/L | 5 | 430. | |
| | PROMOTIONAL DVD | 5/11/06 | 2,300. | 1,661. | S/L | 3 | 639. | |
| | READERS LAMP | 11/15/05 | 162. | 62. | S/L | 7 | 23. | |
| | LOANER RECORDER, | 11/15/05 | 81. | 43. | S/L | 5 | 16. | |
| | 13 LOANER RECORD | 2/04/06 | 678. | 328. | S/L | 5 | 136. | |
| | TAPES & ALBUMS | 1/01/06 | 6,339. | 1,321. | S/L | 12 | 528. | |
| | COMMERCIAL AUDIO | 12/29/05 | 664. | 332. | S/L | 5 | 133. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | COMMERCIAL AUDIO | 3/30/06 | 427. | 199. | S/L | 5 | 86. | |
| | COMMERCIAL AUDIO | 5/31/06 | 384. | 167. | S/L | 5 | 76. | |
| | COMPUTER 500GB E | 7/14/06 | 433. | 174. | S/L | 5 | 86. | |
| | COMPUTER ADOBE A | 9/18/06 | 638. | 234. | S/L | 5 | 128. | |
| | COMPUTER COMPAQ | 12/13/06 | 1,070. | 321. | S/L | 5 | 214. | |
| | COMPUTER FOR STU | 3/16/07 | 1,100. | 293. | S/L | 5 | 220. | |
| | GARNED DEGAUSSER | 10/26/06 | 1,250. | 313. | S/L | 7 | 179. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | STUDIO EQUIPMENT | 3/29/07 | 372. | 71. | S/L | 7 | 53. | |
| | 17 LOANER RECORD | 10/30/06 | 202. | 70. | S/L | 5 | 40. | |
| | 7 LOANER RECORDE | 4/27/07 | 192. | 54. | S/L | 5 | 38. | |
| | 13 LOANER RECORD | 6/01/07 | 217. | 47. | S/L | 5 | 43. | |
| | TAPES & ALBUMS | 1/01/07 | 7,848. | 981. | S/L | 12 | 654. | |
| | COMMERCIAL AUDIO | 8/12/06 | 211. | 36. | S/L | 12 | 18. | |
| | COMMERCIAL AUDIO | 9/12/06 | 15,000. | 2,292. | S/L | 12 | 1,250. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
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| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | 22 | |

2008 Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W. FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | BOOKCASES | 9/11/07 | 333. | 28. | S/L | 10 | 33. | |
| | LATERAL FILES & | 1/18/08 | 953. | 48. | S/L | 10 | 95. | |
| | 8 LOANER RECORDER | 9/20/07 | 210. | 35. | S/L | 5 | 42. | |
| | TAPES & ALBUMS | 1/01/08 | 13,427. | 559. | S/L | 12 | 1,119. | |
| | COMMERCIAL AUDIO | 9/14/07 | 210. | 15. | S/L | 12 | 17. | |
| | COMMERCIAL AUDIO | 6/02/08 | 17,500. | 122. | S/L | 12 | 1,458. | |
| | COMMERCIAL AUDIO | 6/19/08 | 135. | 5. | S/L | 12 | 11. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | 15 | | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | 20 | |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | 21 | |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | 22 | |

2008

Corporation Depreciation and Amortization

3885

Attach to Form 100 or Form 100W.

FORM 199

Corporation name

California corporation number

BOOKS ALOUD, INC.

D-0687948

Part I Election to Expense Certain Property Under IRC Section 179

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum deduction under Section 179 for California | 1 | \$25,000 |
| 2 | Total cost of Section 179 property placed in service | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0- | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property (elected Section 179 cost) | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7. | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from prior taxable years. | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12. | 13 | |

Part II Depreciation and Election of Additional First Year Expense Deduction Under R&TC Section 24356

| 14 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Depreciation allowed or allowable in earlier years | (e) Deprecia- tion method | (f) Life or rate | (g) Depreciation for this year | (h) Additional first year depreciation |
|----|---|-------------------------|-------------------------------|--|------------------------------------|------------------------|--------------------------------------|---|
| | LAMINATING MACHI | 4/16/09 | 208. | | S/L | 5 | 11. | |
| | 2 DUPLICATORS | 10/31/08 | 7,562. | | S/L | 7 | 720. | |
| | STUDIO LAMP | 4/16/09 | 207. | | S/L | 7 | 7. | |
| | LAPTOP COMPUTER | 7/09/08 | 852. | | S/L | 5 | 170. | |
| | 35 LOANER RECORD | 10/01/08 | 1,303. | | S/L | 5 | 195. | |
| | TAPES & ALBUMS | 1/01/09 | 4,828. | | S/L | 12 | 201. | |
| 15 | Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h) | | | | | | 15 | |

Part III Summary

| | | | |
|----|--|----|--|
| 16 | Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g) | 16 | |
| 17 | Total depreciation claimed for federal purposes from federal Form 4562, line 22. | 17 | |
| 18 | Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.) | 18 | |

Part IV Amortization

| 19 | (a) Description of property | (b) Date acquired | (c) Cost or other basis | (d) Amortization allowed or allowable in earlier years | (e) R&TC section (see instr) | (f) Period or percentage | (g) Amortization for this year |
|----|---|-------------------------|-------------------------------|---|---------------------------------------|--------------------------------|--------------------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| 20 | Total. Add the amounts in column (g) | | | | | | 20 |
| 21 | Total amortization claimed for federal purposes from federal Form 4562, line 44. | | | | | | 21 |
| 22 | Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 12. | | | | | | 22 |

Books Aloud, Inc.

23-7317533

Statement 1
Form 199, Part II, Line 11
Compensation of Officers, Directors, and Trustees

Current Officers:

| Name and Address | Title and Average Hours Per Week Devoted | Compensation | Contribution to EBP & DC | Expense Account/ Other |
|--|--|-------------------|-----------------------------|------------------------------|
| Betsy Kerr 1931 Alford Avenue Los Altos, CA 94024 | Director 1.00 | \$ 0. | \$ 0. | \$ 0. |
| Alfred V. Reuter 394 Creekview Drive Morgan Hill, CA 95037 | Treasurer 2.00 | 0. | 0. | 0. |
| Joyce L. Meurer 1671 Milroy Place San Jose, CA 95124 | Executive Director 40.00 | 92,400. | 0. | 0. |
| Deb Wible 2323 Owen Street Santa Clara, CA 95054 | Chairman 2.00 | 0. | 0. | 0. |
| Pat Yoshihiro 602 Arcadia Terr, Unit 303 Sunnyvale, CA 94085 | Director 1.00 | 0. | 0. | 0. |
| Christine Tower 2170 Laurelei Avenue San Jose, CA 95128 | Secretary 2.00 | 0. | 0. | 0. |
| Mark Rickert 5655 Silver Creek Valley Road San Jose, CA 95138-2473 | Director 1.00 | 0. | 0. | 0. |
| Ron Westphal 261 Manchester Ave Campbell, CA 95008 | Vice-Chairman 2.00 | 0. | 0. | 0. |
| Total | | <u>\$ 92,400.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |

Statement 2
Form 199, Part II, Line 17
Other Expenses

| | |
|--|-----------|
| Accounting Fees..... | \$ 2,400. |
| Bank Charges | 48. |
| Book Mailers & Oper Supplies..... | 7,671. |
| Brochures..... | 915. |
| Conferences, Conventions, and Meetings | 100. |
| Damaged Tapes Discarded..... | 6,288. |
| Delivery..... | 1,755. |
| Donation of Commercial Tapes..... | 44,604. |
| Donor Recognition..... | 59. |
| Dues & Subscriptions..... | 495. |
| Equipment Maintenance Contract..... | 5,940. |

Statement 2 (continued)
Form 199, Part II, Line 17
Other Expenses

| | | |
|---------------------------------|----|-----------------|
| Insurance..... | \$ | 4,356. |
| Miscellaneous..... | | 270. |
| Newsletters..... | | 3,858. |
| Office Expenses..... | | 4,339. |
| Other Employee Benefit..... | | 9,898. |
| Other fees..... | | 1,345. |
| Parking..... | | 2,679. |
| Postage and Shipping..... | | 619. |
| Printing and Publications..... | | 818. |
| Program Promotion..... | | 7,743. |
| Storage Rent..... | | 2,286. |
| Studio Equipment Abandoned..... | | 1,151. |
| Volunteer Recognition..... | | 1,692. |
| Workers Comp Insurance..... | | 1,269. |
| Total | \$ | <u>112,598.</u> |

Statement 3
Form 199, Schedule L, Line 18
Other Liabilities

| | | |
|-----------------------------------|----|---------------|
| Withheld Payroll Tax Payable..... | | 1,508. |
| Total | \$ | <u>1,508.</u> |

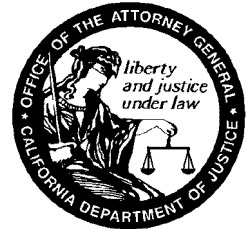
IN
MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
Telephone: (916) 445-2021

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>015365</u> | | Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report | |
| BOOKS ALOUD, INC. Name of Organization | | Corporate or Organization No. <u>D-0687948</u> | |
| P. O. BOX 5731 Address (Number and Street) | | Federal Employer ID No. <u>23-7317533</u> | |
| SAN JOSE, CA 95150 City or Town State ZIP Code | | | |
| 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 |
| Less than \$25,000 | 0 | Between \$100,001 and \$250,000 | \$50 |
| Between \$25,000 and \$100,000 | \$25 | Between \$250,001 and \$1 million | \$75 |
| | | Between \$1,000,001 and \$10 million | \$150 |
| | | Between \$10,000,001 and \$50 million | \$225 |
| | | Greater than \$50 million | \$300 |
| PART A ' ACTIVITIES | | | |
| For your most recent full accounting period (beginning <u>7/01/08</u> ending <u>6/30/09</u>) list: Gross annual revenue \$ <u>499,602.</u> Total assets \$ <u>327,601.</u> | | | |
| 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. SEE STATEMENT 2 | | <input checked="" type="checkbox"/> | <input 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 <u>408-808-2613</u> | | | |
| Organization's e-mail address _____ | | | |
| 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. | | | |
| JOYCE L. MEURER Signature of authorized officer | | EXECUTIVE DIRECTOR Title | |
| Printed Name | | Date | |

Statement 1
Form RRF-1, Part B, line 1
Financial Transactions

Board Member Mark Rickert has financial interest in the company that provides the computer maintenance contract to Books Aloud.

Statement 2
Form RRF-1, Part B, Line 6
Government Agency That Provided Funding

City of San Jose
200 E. Santa Clara Ave
San Jose, CA 95113
Lyn Harris
408-808-2000

Return of Organization Exempt From Income Tax

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

2008

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For the 2008 calendar year, or tax year beginning 7/01, 2008, and ending 6/30, 2009

| | | | | | |
|--|--|---|--|---|--|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | | Please use IRS label or print or type. See specific instructions. Books Aloud, Inc. P. O. Box 5731 San Jose, CA 95150 | | D Employer Identification Number 23-7317533 | |
| | | | | E Telephone number 408-808-2613 | |
| | | | | G Gross receipts \$ 499,602. | |
| | | F Name and address of principal officer: Same As C Above | | H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) | |
| I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) H (Insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | | | | |
| J Website: G www.booksaloud.org | | H(c) Group exemption number G | | | |
| K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other G | | L Year of Formation: 1973 | | M State of legal domicile: CA | |

Part I Summary

| | | | | |
|-----------------------------|--|--|-------------------|--------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: <u>Our mission is to improve the quality of life for people unable to benefit directly from the printed page by providing a service to stimulate minds, stir emotions, and foster independence through our "Reading by Listening" program, thereby giving people a better quality of life.</u> | | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets. | | | |
| | 3 | Number of voting members of the governing body (Part VI, line 1a) | 7 | |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 7 | |
| | 5 | Total number of employees (Part V, line 2a) | 12 | |
| | 6 | Total number of volunteers (estimate if necessary) | 150 | |
| | 7a | Total gross unrelated business revenue from Part VIII, line 12, column (C) | 0. | |
| | 7b | Net unrelated business taxable income from Form 990-T, line 34 | 0. | |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 | Program service revenue (Part VIII, line 2g) | 271,332. | 497,321. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 2,500. | 2,281. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 16,188. | |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 290,020. | 499,602. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | | |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | | |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 195,675. | 278,203. |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | | |
| | b | Total fundraising expenses (Part IX, column (D), line 25) G | 13,609. | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 94,584. | 127,970. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 290,259. | 406,173. |
| 19 | Revenue less expenses. Subtract line 18 from line 12 | -239. | 93,429. | |
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | Beginning of Year | End of Year |
| | 21 | Total liabilities (Part X, line 26) | 235,055. | 327,601. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 52,391. | 51,508. |
| | | | 182,664. | 276,093. |

Part II Signature Block

| | | | | |
|--------------------------|---|------|--|--|
| 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 | |
| Paid Preparer's Use Only | G Joyce L. Meurer Type or print name and title. | | Executive Director | |
| | Preparer's signature G _____ | Date | Check if self-employed G <input checked="" type="checkbox"/> | Preparer's identifying number (see instructions) 585-07-6705 |
| | Firm's name (or yours if self-employed), address, and ZIP + 4 G Mary F. Vettorel, CPA 1952 Camden Ave., Suite 102 San Jose, CA 95124 | | EIN G 77-0038808 Phone no. G (408) 364-2322 | |

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

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

See Schedul e 0

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 377, 549. including grants of \$) (Revenue \$)

See Schedul e 0

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses G \$ 377, 549. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

| | Yes | No |
|---|------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A | 1 X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | 2 X | |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I | 3 | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II | 4 | X |
| 5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III | 5 | |
| 6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I | 6 | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II | 7 | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III | 8 | X |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV | 9 | X |
| 10 Did the organization hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V | 10 | X |
| 11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | 11 X | |
| 12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII | 12 | X |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E | 13 | X |
| 14a Did the organization maintain an office, employees, or agents outside of the U.S.? | 14a | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If 'Yes,' complete Schedule F, Part I | 14b | X |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II | 15 | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III | 16 | X |
| 17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If 'Yes,' complete Schedule G, Part I | 17 | X |
| 18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II | 18 | X |
| 19 Did the organization report more than \$15,000 on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III | 19 | X |
| 20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H | 20 | X |
| 21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II | 21 | X |
| 22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III | 22 | X |
| 23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? If 'Yes,' complete Schedule J | 23 | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25 | 24a | X |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | |
| d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? | 24d | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I | 25a | X |
| b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If 'Yes,' complete Schedule L, Part I | 25b | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II | 26 | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III | 27 | X |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee: | | |
| a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If 'Yes,' complete Schedule L, Part IV. | 28a | X |
| b Have a family member who had a direct or indirect business relationship with the organization? If 'Yes,' complete Schedule L, Part IV. | 28b | X |
| c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If 'Yes,' complete Schedule L, Part IV. | 28c | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M. | 29 | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M. | 30 | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I. | 31 | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II. | 32 | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I. | 33 | X |
| 34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1. | 34 | X |
| 35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2. | 35 | X |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2. | 36 | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI. | 37 | X |

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Part V Statements Regarding Other IRS Filings and Tax Compliance

| | | Yes | No |
|---|-------|-----|----|
| 1a Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable. | 1a 1 | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. | 1b 0 | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | 1c | X | |
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. | 2a 12 | | |
| 2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | 2b | X | |
| Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions) | | | |
| 3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | 3a | | X |
| b If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O. | 3b | | |
| 4a 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)? | 4a | | X |
| b 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. | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | 5a | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | 5b | | X |
| c If 'Yes,' to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | 5c | | |
| 6a Did the organization solicit any contributions that were not tax deductible? | 6a | | X |
| b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible? | 6b | | |
| 7 Organizations that may receive deductible contributions under section 170(c). | | | |
| a Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? | 7a | | X |
| b If 'Yes,' did the organization notify the donor of the value of the goods or services provided? | 7b | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | 7c | | X |
| d If 'Yes,' indicate the number of Forms 8282 filed during the year. | 7d | | |
| e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | 7e | | X |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 7f | | X |
| g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | 7g | | X |
| h For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | 7h | | X |
| 8 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | 8 | | |
| 9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds. | | | |
| a Did the organization make any taxable distributions under section 4966? | 9a | | |
| b Did the organization make any distribution to a donor, donor advisor, or related person? | 9b | | |
| 10 Section 501(c)(7) organizations. Enter: | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | |
| b Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. | 10b | | |
| 11 Section 501(c)(12) organizations. Enter: | | | |
| a Gross income from other members or shareholders | 11a | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | | |
| 12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | 12a | | |
| b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. | 12b | | |

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Form 990 (2008)

Part VI Governance, Management and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

| | | Yes | No |
|---|--|-----|----|
| For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions. | | | |
| 1a | Enter the number of voting members of the governing body. | 7 | |
| 1b | Enter the number of voting members that are independent. | 7 | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? | 2 | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3 | X |
| 4 | Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? | 4 | X |
| 5 | Did the organization become aware during the year of a material diversion of the organization's assets? | 5 | X |
| 6 | Does the organization have members or stockholders? | 6 | X |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | 7a | X |
| 7b | Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | 7b | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | 8a | X |
| b | Each committee with authority to act on behalf of the governing body? | 8b | X |
| 9a | Does the organization have local chapters, branches, or affiliates? | 9a | X |
| b | If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | 9b | |
| 10 | Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990. See Schedule O. | 10 | X |
| 11 | Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O. | 11 | X |

Section B. Policies

| | | Yes | No |
|--|--|-----|----|
| 12a | Does the organization have a written conflict of interest policy? If 'No,' go to line 13. | 12a | X |
| b | Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | X |
| c | Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done. | 12c | X |
| 13 | Does the organization have a written whistleblower policy? | 13 | X |
| 14 | Does the organization have a written document retention and destruction policy? | 14 | X |
| 15 | Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision: | | |
| a | The organization's CEO, Executive Director, or top management official? | 15a | X |
| b | Other officers of key employees of the organization? See Schedule O. | 15b | X |
| Describe the process in Schedule O. (see instructions) | | | |
| 16a | Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | X |
| b | If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | |

Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

G Joyce L. Meurer 150 E. San Fernando Street, San Jose, CA 95112 408-808-2615

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

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Part VIII Statement of Revenue

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|--|---|----------------|----------------------|--|---|---|
| CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS | 1a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | 39, 206. | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 458, 115. | | | |
| | g Noncash contribns included in Ins 1a-1f: | \$ | | | | |
| | h Total. Add lines 1a-1f: | G | 497, 321. | | | |
| PROGRAM SERVICE REVENUE | Business Code | | | | | |
| | 2a | | | | | |
| | b | | | | | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f All other program service revenue | | | | | |
| | g Total. Add lines 2a-2f: | G | | | | |
| OTHER REVENUE | 3 Investment income (including dividends, interest and other similar amounts) | G | 2, 281. | | | 2, 281. |
| | 4 Income from investment of tax-exempt bond proceeds | G | | | | |
| | 5 Royalties | G | | | | |
| | | (i) Real | (ii) Personal | | | |
| | 6a Gross Rents | | | | | |
| | b Less: rental expenses | | | | | |
| | c Rental income or (loss) | | | | | |
| | d Net rental income or (loss) | G | | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | |
| | b Less: cost or other basis and sales expenses | | | | | |
| | c Gain or (loss) | | | | | |
| | d Net gain or (loss) | G | | | | |
| | 8a Gross income from fundraising events (not including: \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | |
| | b Less: direct expenses | b | | | | |
| | c Net income or (loss) from fundraising events | G | | | | |
| | 9a Gross income from gaming activities. See Part IV, line 19 | a | | | | |
| | b Less: direct expenses | b | | | | |
| | c Net income or (loss) from gaming activities | G | | | | |
| | 10a Gross sales of inventory, less returns and allowances | a | | | | |
| | b Less: cost of goods sold | b | | | | |
| c Net income or (loss) from sales of inventory | G | | | | | |
| Miscellaneous Revenue | | Business Code | | | | |
| 11a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d: | G | | | | | |
| 12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e | G | 499, 602. | 0. | 0. | 2, 281. | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

| <i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i> | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21. | | | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 92,400. | 73,920. | 9,240. | 9,240. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B). | 0. | 0. | 0. | 0. |
| 7 Other salaries and wages. | 153,053. | 153,053. | | |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions). | | | | |
| 9 Other employee benefits. | 9,898. | 9,898. | | |
| 10 Payroll taxes. | 22,852. | 21,024. | 914. | 914. |
| 11 Fees for services (non-employees). | | | | |
| a Management. | | | | |
| b Legal. | | | | |
| c Accounting. | 2,400. | | 2,400. | |
| d Lobbying. | | | | |
| e Prof fundraising svcs. See Part IV, ln 17. | | | | |
| f Investment management fees. | | | | |
| g Other. | 1,345. | 1,345. | | |
| 12 Advertising and promotion. | | | | |
| 13 Office expenses. | 4,339. | 3,991. | 174. | 174. |
| 14 Information technology. | | | | |
| 15 Royalties. | | | | |
| 16 Occupancy. | | | | |
| 17 Travel. | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | 100. | 100. | | |
| 20 Interest. | | | | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 25,270. | 24,478. | 207. | 585. |
| 23 Insurance. | 4,356. | 2,795. | 1,439. | 122. |
| 24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.) | | | | |
| a <u>Donation of Commercial Tapes</u> | 44,604. | 44,604. | | |
| b <u>Program Promotion</u> | 7,743. | 7,743. | | |
| c <u>Book Mailers & Oper Supplies</u> | 7,671. | 7,671. | | |
| d <u>Damaged Tapes Discarded</u> | 6,288. | 6,288. | | |
| e <u>Equipt Maintenance Contract</u> | 5,940. | 5,464. | 238. | 238. |
| f All other expenses. | 17,914. | 15,175. | 403. | 2,336. |
| 25 Total functional expenses. Add lines 1 through 24f. | 406,173. | 377,549. | 15,015. | 13,609. |
| 26 Joint Costs. Check here G <input checked="" type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | 3,858. | 1,929. | | 1,929. |

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Form 990 (2008)

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|--|---|--------------------------|----------|--------------------|
| A S S E T S | 1 Cash ' non-interest-bearing | 59. | 1 | |
| | 2 Savings and temporary cash investments | 77,602. | 2 | 233,524. |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | | 4 | |
| | 5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L | | 5 | |
| | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 932. | 8 | |
| | 9 Prepaid expenses and deferred charges | 31. | 9 | |
| | 10a Land, buildings, and equipment: cost basis | 10a 355,900. | | |
| | b Less: accumulated depreciation. Complete Part VI of Schedule D | 10b 261,823. | 10c | 94,077. |
| | 11 Investments ' publicly-traded securities | | 11 | |
| | 12 Investments ' other securities. See Part IV, line 11 | | 12 | |
| | 13 Investments ' program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets. See Part IV, line 11 | | 15 | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 235,055. | 16 | 327,601. | |
| L I A B I L I T I E S | 17 Accounts payable and accrued expenses | | 17 | |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 50,000. | 23 | 50,000. |
| | 24 Unsecured notes and loans payable | | 24 | |
| | 25 Other liabilities. Complete Part X of Schedule D | 2,391. | 25 | 1,508. |
| | 26 Total liabilities. Add lines 17 through 25 | 52,391. | 26 | 51,508. |
| N E T A S S E T S O R F U N D B A L A N C E S | Organizations that follow SFAS 117, check here G <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | -73,767. | 27 | 82,016. |
| | 28 Temporarily restricted net assets | | 28 | |
| | 29 Permanently restricted net assets | 256,431. | 29 | 194,077. |
| | Organizations that do not follow SFAS 117, check here G <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, and equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 Total net assets or fund balances | 182,664. | 33 | 276,093. |
| | 34 Total liabilities and net assets/fund balances | 235,055. | 34 | 327,601. |

Part XI Financial Statements and Reporting

| | Yes | No |
|---|-----|----|
| 1 Accounting method used to prepare the Form 990: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? | 2a | X |
| b Were the organization's financial statements audited by an independent accountant? | 2b | X |
| c If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | 2c | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | 3a | X |
| b If 'Yes,' did the organization undergo the required audit or audits? | 3b | |

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Form 990 (2008)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501 (c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

G Attach to Form 990 or Form 990-EZ. G See separate instructions.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1 ☐ A church, convention of churches or association of churches described in section 170(b)(1)(A)(i).
- 2 ☐ A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 ☐ A hospital or cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
- 4 ☐ A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 ☐ A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions ' subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I
 - b ☐ Type II
 - c ☐ Type III ' Functionally integrated
 - d ☐ Type III' Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

| | Yes | No |
|------------|-----|----|
| 11 g (i) | | |
| 11 g (ii) | | |
| 11 g (iii) | | |

h Provide the following information about the organizations the organization supports.

| (i) Name of Supported Organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above or IRC section (see instructions)) | (iv) Is the organization in col. (i) listed in your governing document? | | (v) Did you notify the organization in col. (i) of your support? | | (vi) Is the organization in col. (i) organized in the U.S.? | | (vii) Amount of Support |
|------------------------------------|----------|---|---|----|--|----|---|----|-------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
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| | | | | | | | | | |
| Total | | | | | | | | | |

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

Schedule A (Form 990 or 990-EZ) 2008

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|---|----------|----------|----------|----------|----------|------------|
| 1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.) | 322,585. | 245,871. | 281,889. | 271,332. | 224,480. | 1,346,157. |
| 2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf. | | | | | | 0. |
| 3 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. | 114,660. | 114,660. | 114,660. | 114,660. | 114,660. | 573,300. |
| 4 Total. Add lines 1-3. | 437,245. | 360,531. | 396,549. | 385,992. | 339,140. | 1,919,457. |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f). | | | | | | 383,187. |
| 6 Public support. Subtract line 5 from line 4. | | | | | | 1,536,270. |

Section B. Total Support

| Calendar year (or fiscal year beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|---|----------|----------|----------|----------|----------|----------------------------|
| 7 Amounts from line 4. | 437,245. | 360,531. | 396,549. | 385,992. | 339,140. | 1,919,457. |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources. | 6,369. | 4,963. | 229. | 2,500. | 2,281. | 16,342. |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on. | | | | | | 0. |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | 0. |
| 11 Total support. Add lines 7 through 10. | | | | | | 1,935,799. |
| 12 Gross receipts from related activities, etc. (see instructions). | | | | | 12 | 0. |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. | | | | | | G <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|---------------------------------------|--------|
| 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)). | 14 | 79.4 % |
| 15 Public support percentage for 2007 Schedule A, Part IV-A, line 26f. | 15 | 82.1 % |
| 16a 33-1/3 support test - 2008. If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. | G <input checked="" type="checkbox"/> | |
| b 33-1/3 support test - 2007. If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| 17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. | G <input type="checkbox"/> | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. | G <input type="checkbox"/> | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

| Calendar year (or fiscal yr beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.) | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1-5 | | | | | | |
| 7a Amounts included on lines 1, 2, 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal yr beginning in) G | (a) 2004 | (b) 2005 | (c) 2006 | (d) 2007 | (e) 2008 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 13 Total support. (add lns 9, 10c, 11, and 12.) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

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

| | | |
|--|----|---|
| 15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)). | 15 | % |
| 16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|----|---|
| 17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)). | 17 | % |
| 18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h | 18 | % |

19a 33-1/3 support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

G ☐

b 33-1/3 support tests - 2007. If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

G ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

G ☐

Part IV

Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

This image shows a full page of a handwriting practice worksheet. It consists of multiple sets of three horizontal dashed lines, providing a guide for letter height and placement. The lines are evenly spaced and extend across the entire width of the page. There is no text or other markings on the paper.

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

G Attach to Form 990, 990-EZ and 990-PF
G See separate instructions.

OMB No. 1545-0047

2008

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

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 (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. 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 answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their 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 Privacy Act and Paperwork Reduction Act Notice, see the Instructions
for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

Books Aloud, Inc.

23-7317533

Part I Contributors (see instructions.)

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|---------------|--|-----------------------------------|--|
| 1 | George H. Sandy Foundation P. O. Box 591717 San Francisco, CA 94159 | \$ 20,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 2 | City of San Jose 200 E. Santa Clara Ave San Jose, CA 95113 | \$ 39,206. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 3 | E & J Colombo Charitable Trust P. O. Box 1121 San Jose, CA 95108 | \$ 45,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 4 | The Valley Foundation 16450 Los Gatos Blvd Ste 210 Los Gatos, CA 95032 | \$ 50,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 5 | Leo M Shortino Family Foundati 1760 The Alameda San Jose, CA 95126 | \$ 25,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 6 | Shirley M. Gilman IRA 1 North Jefferson St Louis, MO 63103 | \$ 272,841. | 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

Books Al oud, I nc.

23-7317533

Part II Noncash Property (see instructions.)

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

Books Al oud, I nc.

23-7317533

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 |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
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| | | | |

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

Attach to Form 990. To be completed by organizations that
answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization

Books Al oud, Inc.

Employer identification number

23-7317533

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if
the organization answered 'Yes' to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|--|------------------------------|------------------------------|
| 1 Total number at end of year. | | |
| 2 Aggregate contributions to (during year). | | |
| 3 Aggregate grants from (during year). | | |
| 4 Aggregate value at end of year. | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

| | |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of certified historic structure |
| <input type="checkbox"/> Preservation of open space | |

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

| | Held at the End of the Year |
|--|-----------------------------|
| a Total number of conservation easements. | 2a |
| b Total acreage restricted by conservation easements. | 2b |
| c Number of conservation easements on a certified historic structure included in (a). | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06. | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year G _____

4 Number of states where property subject to conservation easement is located G _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easement it holds?

☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year G _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year G \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets
Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1. G\$ _____

(ii) Assets included in Form 990, Part X. G\$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1. G\$ _____

b Assets included in Form 990, Part X. G\$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

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

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

b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1 a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Investment earnings or losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

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

a Board designated or quasi-endowment G _____ %

b Permanent endowment G _____ %

c Term endowment G _____ %

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

(i) unrelated organizations 3a(i) ☐ Yes ☐ No

(ii) related organizations 3a(ii) ☐ Yes ☐ No

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? 3b ☐ Yes ☐ No

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

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

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Depreciation | (d) Book Value |
|--|--------------------------------------|---------------------------------|------------------|----------------|
| 1 a Land | | | | |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 70,950. | 55,524. | 15,426. |
| e Other | | 284,950. | 206,299. | 78,651. |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) | G | | | 94,077. |

BAA

Schedule D (Form 990) 2008

N/A

N/A

N/A

Total. Column (b) Total (should equal Form 990, Part X, col.(B), line 15)..... G

| | | |
|---|---|--------|
| Total. Column (b) Total (should equal Form 990, Part X, col. (B) line 25) | G | 1,508. |
|---|---|--------|

[illegible]

Transactions with Interested Persons

G Attach to Form 990 or Form 990-EZ.
G To be completed by organizations that answered
'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.

2008

Open to Public
Inspection

Name of the organization

Books Al oud, I nc.

Employer identification number

23-7317533

| | |
|--------|---|
| Part I | Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only). |
|--------|---|

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

[illegible]

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

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

| | |
|---------|--|
| Part II | Loans to and/or From Interested Persons. |
|---------|--|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 26 or Form 990-EZ, Part V, line 38a.

[illegible]

Total G \$

| | |
|----------|--|
| Part III | Grants or Assistance Benefitting Interested Persons. |
|----------|--|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 27.

[illegible]

| | |
|---------|---|
| Part IV | Business Transactions Involving Interested Persons. |
|---------|---|

To be completed by organizations that answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

| (a) Name of interested person | (b) Relationship between interested person and the organization | (c) Amount of transaction \$ | (d) Description of transaction | (e) Sharing of organization's revenues? | |
|-------------------------------|---|------------------------------|--------------------------------|---|----|
| | | | | Yes | No |
| Mark Rickert | Board Member | 5,940. | Computer Maintenance | | X |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No. 1545-0047

2008

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

G Attach to Form 990. To be completed by organizations to provide
additional information for responses to specific questions for the
Form 990 or to provide any additional information.

Name of the organization

Books Aloud, Inc.

Employer identification number

23-7317533

Form 990, Part III, Line 1 - Organization Mission

Our mission is to improve the quality of life for people unable to benefit directly from the printed page, by providing a service to stimulate minds, stir emotions, and foster independence through our "Reading by Listening" program, thereby giving people a better quality of life.

Form 990, Part III, Line 4a - Program Service Accomplishments

The program service activity provided by Books Aloud, Inc is a free lending library of books recorded by volunteer voices on cassette tapes and CDs for those who can only read by listening... the blind and disabled. During fiscal year ended June 30, 2009, 210 new recorded book titles were added to the library. A selection committee of volunteers met regularly to plan for excellence in book material. 24,414 albums were in circulation during this fiscal year, providing an average of 13,488 listening hours, each month. The average book taped by volunteers is from 200 to 400 pages and takes about four to twelve cassettes to record. Staff and volunteers duplicate each master tape, so that many albums of the book are available for circulation. Tapes are mailed out for 30 to 60 days to a client. Client files are maintained to record preference to type of books, book requests and other information in order to service each client individually. In addition, many schools, hospitals and senior citizen facilities and organizations use the services. This year thirty-six mini satellite libraries were serviced in collaboration with senior homes and twenty two Special Education Classes in Santa Clara County School Systems. Home deliveries continue by staff and volunteers using the donated delivery vehicle. While clients are mainly located in California, 15% of the taped books are loaned to clients out-of-state. The Lions Club's monthly magazine is recorded and sent to an average of 140 blind members of Lions Clubs in the United States, Canada and four other countries. In this fiscal year, the volunteer voices also recorded the quarterly newsletter, many

Name of the organization

Books Aloud, Inc.

Employer identification number

23-7317533

Form 990, Part III, Line 4a - Program Service Accomplishments (continued)

community service materials for the City of San Jose, the County of Santa Clara, various community service organizations and art agencies for distribution to blind and disabled persons. An average of 68 volunteers assist the staff every month with work of the program, ranging from cataloging, circulation, editing, repair, mailing and making labels in Braille for the cassettes and albums. An average of 80 individuals record the books, magazines and city and county informational materials in the recording booth every month. Portable tape recorders are available to loan to clients. Government support is realized by the provisions of US PO Free Matter for the Blind mailing and the use of occupancy and delivery by the San Jose Public Library. This year the "Sight & Sound" project was enlarged due to the requests from parents and teachers of the learning disabled and dyslexic students. The audio book along with the printed book is sent to this classification of clients, thereby, increasing their ability of becoming "readers". We currently have over 800 kits. Due to the availability of commercially recorded audio books, we now have an even greater number of titles for our disabled clients. Commercially recorded books have been donated to Books Aloud, which in turn, are assembled and placed in the collection and available for distribution to our clients. This year we placed over 500 commercially recorded albums in our collection.

Form 990, Part VI, Line 10 - Form 990 Review Process

Presented to and Reviewed by Executive Director Prior to Filing

Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees

Annual employee reviews with discussion and approval by Board of Directors

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

Form 990 available annually on charity website. A copy of the Form 990 is given or mailed to anyone requesting a copy.

Application for Extension of Time To File an
Exempt Organization Return

OMB No. 1545-1709

G File a separate application for each return.

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

? If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension ' check this box and complete Part I only G ☐

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

| | | |
|---|---|---|
| Type or print File by the due date for filing your return. See instructions. | Name of Exempt Organization Books Aloud, Inc. | Employer identification number 23-7317533 |
| | Number, street, and room or suite number. If a P.O. box, see instructions. P. O. Box 5731 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. San Jose, CA 95150 | |
| | | |

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

| | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

? The books are in the care of G Joyce L. MeurerTelephone No. G 408-808-2615 FAX No. G? If the organization does not have an office or place of business in the United States, check this box G ☐? If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . G ☐ . If it is for part of the group, check this box . G ☐ and attach a list with the names and EINs of all members the extension will cover.

| | | |
|--|----|-------|
| 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until <u>2/15</u> , 20 <u>10</u> , to file the exempt organization return for the organization named above. The extension is for the organization's return for: G <input type="checkbox"/> calendar year 20 ____ or G <input checked="" type="checkbox"/> tax year beginning <u>7/01</u> , 20 <u>08</u> , and ending <u>6/30</u> , 20 <u>09</u> . | | |
| 2 If this tax year is for less than 12 months, check reason: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Change in accounting period | | |
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions | 3a | \$ 0. |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit | 3b | \$ 0. |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 3c | \$ 0. |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.