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Return of Organization Exempt From Income Tax

2008

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

Header section containing organization details: Name (FREE TO BE PROGRAMS, INC), Address (17134 DEVONSHIRE STREET, NORTH RIDGE, CA 91325), Employer ID (95-3921893), and Tax-exempt status (501(c)(3)).

Part I Summary

Summary table with columns for Revenue, Expenses, and Net Assets. Rows include mission statement, revenue breakdown (Total: 3,407,356), and expenses (Total: 3,171,658).

Part II Signature Block

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.

Signature of officer: Audrey Hughes, EXECUTIVE ADMINISTRATOR. Date: 12/14/09.

Paid Preparer's Use Only: Preparer's signature: DELANE BUDD, Date: 12/12/2009, Preparer's identifying number: 567-58-6351.

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

SCANNED JAN 08 2010

14

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
PROVIDE SUITABLE HOMES FOR DEVELOPMENTALLY DISABLED CHILDREN THROUGH A FOSTER CARE SYSTEM THE CHILDREN COME FROM DCFS AND REGIONAL CENTERS THROUGHOUT CALIFORNIA

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 \$ 2,319,313 including grants of \$ 0) (Revenue \$ 3,403,282)
SUPPORT SYSTEM FOR 70 OUTSIDE HOMES FOR DEVELOPMENTALLY DISABLED CHILDREN WE HIRE SOCIAL WORKERS AND BEHAVIORAL SPECIALISTS TO WORK WITH THE CHILDREN AND MAKE SURE THAT THE FOSTER PARENTS ARE GIVING THEM THE PROPER CARE AND LOVE THEY SHOULD HAVE WE INTERVIEW AND TRAIN ALL PROSPECTIVE FOSTER PARENTS

4b (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4c (Code:) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4d Other program services. (Describe in Schedule O)
(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses ▶ \$ 2,319,313 (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	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		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		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		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		
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		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		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		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		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		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		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		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		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		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		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		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		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		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		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		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		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J		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, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
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		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		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		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		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)? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	37	X

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 9		
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?	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 15		
b	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 <i>e-file</i> this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		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)?		X
b	If "Yes," enter the name of the foreign country: 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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		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?		X
5c			X
6a	Did the organization solicit any contributions that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		X
6b			X
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?		X
7a			X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		X
7b			X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
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?		X
7e			X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7f			X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
7g			X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
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?		X
8			X
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		X
9a			X
b	Did the organization make a distribution to a donor, donor advisor, or related person?		X
9b			X
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a 0	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b 0	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders.	11a 0	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b 0	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	X
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b 0	

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

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.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
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?		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?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?		X
b	Each committee with authority to act on behalf of the governing body?		X
9a	Does the organization have local chapters, branches, or affiliates?		X
9b	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?		X
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		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.		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		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.		X
13	Does the organization have a written whistleblower policy?		X
14	Does the organization have a written document retention and destruction policy?		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?		X
b	Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)		X
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?		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?		X

Section C. Disclosure

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization:	ROSA MACHUCA (818) 366-6682 17134 DEVONSHIRE STREET, NORTHRIDGE, CA 91325

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 0				
	b Membership dues	1b 0				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 0				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1,000				
	g Noncash contributions included in lines 1a-1f: \$	0				
	h Total. Add lines 1a-1f	▶ 1,000				
Program Service Revenue	2a 4 G RATE	Business Code 621610	2,436,840			
	b DCFS RATE	621610	757,831			
	c ONE ON ONE SPECIAL CARE	621610	174,812			
	d SSI	621610	33,799			
	e	621610	0			
	f All other program service revenue		0			
	g Total. Add lines 2a-2f	▶ 3,403,282				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)	▶ 3,074				
	4 Income from investment of tax-exempt bond proceeds	▶ 0				
	5 Royalties	▶ 0				
	6a Gross Rents	(i) Real				
		(ii) Personal				
		c Rental income or (loss)	0	0		
	d Net rental income or (loss)	▶ 0				
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		c Gain or (loss)	0	0		
	d Net gain or (loss)	▶ 0				
	8a Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c). See Part IV, line 18	a	0			
		b Less: direct expenses	b 0			
		c Net income or (loss) from fundraising events	▶ 0			
	9a Gross income from gaming activities. See Part IV, line 19	a	0			
b Less: direct expenses		b 0				
c Net income or (loss) from gaming activities		▶ 0				
10a Gross sales of inventory, less returns and allowances	a	0				
	b Less: cost of goods sold	b 0				
	c Net income or (loss) from sales of inventory	▶ 0				
Miscellaneous Revenue		Business Code				
11a MISCELLANEOUS INCOME		0				
b		0				
c		0				
d All other revenue		0				
e Total. Add lines 11a-11d	▶ 0					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	▶ 3,407,356		0	0	0	

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 . . .	0			
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . .	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	300,546		300,546	
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			
7	Other salaries and wages	824,406	657,142	167,264	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	13,995		13,995	
10	Payroll taxes	85,724		85,724	
11	Fees for services (non-employees).				
a	Management	0			
b	Legal	1,184		1,184	
c	Accounting	5,000		5,000	
d	Lobbying	0			
e	Professional fundraising services. See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	419	419		
13	Office expenses	7,768		7,768	
14	Information technology	0			
15	Royalties	0			
16	Occupancy	57,789		57,789	
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	4,622		4,622	
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	24,119	20,593	3,526	0
23	Insurance	0			
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	OTHER DEDUCTIONS	1,846,086	1,641,159	204,927	
b	-----	0			
c	-----	0			
d	-----	0			
e	-----	0			
f	All other expenses	0			
25	Total functional expenses. Add lines 1 through 24f	3,171,658	2,319,313	852,345	0
26	Joint Costs. Check here <input 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				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	310,897	1	562,924
	2 Savings and temporary cash investments	201,005	2	203,944
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	319,111	4	345,430
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L	1,297	5	6,362
	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	11,574	6	0
	7 Notes and loans receivable, net	4,150	7	2,750
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	42,549	9	48,872
	10a Land, buildings, and equipment: cost basis	10a 320,167		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 248,317		
	11 Investments—publicly traded securities	0	11	0
	12 Investments—other securities. See Part IV, line 11	0	12	0
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	4,701	15	4,701
16 Total assets. Add lines 1 through 15 (must equal line 34)	964,781	16	1,246,833	
Liabilities	17 Accounts payable and accrued expenses	21,336	17	26,867
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	0	20	0
	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	0	22	8,780
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable	0	24	0
	25 Other liabilities Complete Part X of Schedule D	46,253	25	79,626
26 Total liabilities. Add lines 17 through 25	67,589	26	115,273	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" 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, or equipment fund	43,866	31	43,866
	32 Retained earnings, endowment, accumulated income, or other funds	853,326	32	1,087,694
33 Total net assets or fund balances	897,192	33	1,131,560	
34 Total liabilities and net assets/fund balances	964,781	34	1,246,833	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" 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 lines 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?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

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

Name of the organization

Employer identification number

FREE TO BE PROGRAMS, INC.

95-3921893

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 a 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 to 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 it 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
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about 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	
NOT APPLICABLE									0
									0
									0
									0
									0
Total									0

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) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	0	0	0			0
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0		0	0
3 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0		0	0
4 Total. Add lines 1-3	0	0	0	0	0	0
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)						
6 Public support. Subtract line 5 from line 4						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	0	0	0	0	0	0
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	0	0	0			0
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	0	0			0
11 Total support. Add lines 7 through 10						0

12 Gross receipts from related activities, etc. (see instructions) **12**

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** ▶

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	0.00%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	0.00%

16a **33 1/3% support test-2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

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 ▶

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 ▶

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 ▶

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 ▶

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 year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	0	0	0			0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	0	0	0			0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0			0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0			0
6 Total. Add lines 1-5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6.)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0			0
13 Total support. (Add lines 9, 10c, 11, and 12.)						0
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 ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	0.00%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	0.00%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	0.00%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	0.00%

- 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 ▶
- b 33 1/3% support tests—2007.** If the organization did not check a box on line 14 or line 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 ▶
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . ▶

Part VIII, Lines 1a-h (990) - Contributions, Gifts, Grants, and Other Amounts

	Cash		Non Cash
1 Federated Campaigns		1	
2 Membership dues		2	
3 Fundraising events		3	
4 Related organizations		4	
5 Government grants (contributions)		5	
6 All other contributions, gifts, grants, and similar amounts not included above: FUNDRAISER	1,000		
Other contributions total	1,000	6	0
7 Total	1,000	7	0

Part IX, Line 22 (990) - Depreciation, Depletion, etc.

Description		24,119 (A) Total	20,593 (B) Program services	3,526 (C) Management and general	0 (D) Fundraising
1	NON AMBULATORY MODIFICATIONS	744	744		
2	COMPUTERS	1,116		1,116	
3	OFFICE EQUIPMENT	101		101	
4	TELEVISIONS AND VCR	345	345		
5	CELLULAR PHONES	99		99	
6	OFFICE FURNITURE	2,210		2,210	
7	VANS	19,504	19,504		
8		0			
9		0			
10		0			
11		0			
12		0			
13		0			
14		0			
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			

Part X, Line 4 (990) - Accounts Receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	ACCOUNTS RECEIVABLE	319,111	345,430		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11	Total accounts receivable	319,111	345,430	0	0

Part X, Lines 5 and 6 (990) - Receivables from Officers, Directors, Trustees and Key Employees

Travel Advances

25,000 12,871 6,362

	Borrower's name	Title	Disqualified Person?	Original amount	Balance due beginning of year	Balance due end of year	Security provided
1	ROSA MACHUCA EMPLOYEE	OFFICE MANAGER		25,000	11,574	6,362	
2	ELENA STIHARU				1,297	0	
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

Part X, Line 7 (990) - Other Notes

	Check if credit union or 501(c)(3) scholarship loan	Borrower's name	Title	Original amount	Net balance due beginning of year	Balance due end of year	Allowance for doubtful accounts end of year
1		MARKEYA MOLEZION	FOSTER PARENT	14,700	0		0
2		GLORIA MIDDLETON	FOSTER PARENT	3,000	1,750	750	
3		DAWN PRESLEY	FOSTER PARENT	5,000	2,400	2,000	
4					0		
5					0		
6					0		
7					0		
8					0		
9					0		
10					0		
11					0		
12					0		
13					0		
14					0		
15							
16							
17							
18							
19							
20							

Part X, Lines 10a and 10b (990) - Land, Buildings, and Equipment

	Category or Item	Land	Buildings	Leasehold Improvements	Equipment	Other	Check if Investment Asset	Check if Asset Disposed	Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Disposals/ Adjustments	Beginning Balance	Ending Balance
1	SEE ATTACHED SCHEDULE								320,167	224,198	248,317		95,969	71,850
2									0	0	0		0	0
3									0	0	0		0	0
4									0	0	0		0	0
5									0	0	0		0	0
6									0	0	0		0	0
7									0	0	0		0	0
8									0	0	0		0	0
9									0	0	0		0	0
10									0	0	0		0	0
11									0	0	0		0	0
12									0	0	0		0	0
13									0	0	0		0	0
14									0	0	0		0	0
15									0	0	0		0	0
16									0	0	0		0	0
17									0	0	0		0	0
18									0	0	0		0	0
19									0	0	0		0	0
20									0	0	0		0	0

Part X, Line 15 (990) - Other Assets

4,701

4,701

Description		Beginning	End
1	DEPOSITS - RENTS & UTILITIES	4,701	4,701
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Part X, Line 22 (990) - Payables to Officers, Directors, Trustees, etc

	Name of lender	Title	Original amount	Balance due beginning of year	Balance due end of year	Security provided	Date of note
1	AUDREY HUGHES	ADMIN DIR	0	0	1,105		
2	LARRY HUGHES	PRES		0	5,672		
3	ELENA STIHARU	EXECUT ASST			2,003		
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							

8,780

0

0

Part X, Line 25 (990) - Other Liabilities

46,253

79,626

Description		Beginning	End
1	401 K PLAN	5,213	0
2	PAYROLL LIABILITIES	0	0
3	ACCRUED VACATION PAY	41,040	45,731
4	FORD MOTOR CREDIT - VAN PAYMENT		33,895
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Use of Vehicles (4562 Part V, Section B) - 990

	Vehicle Description	Business Miles	Commuting Miles	Other Miles	Total Miles	Personal Use Off Duty?		More than 5% owner?		Another vehicle avail for use?	
						Y	N	Y	N	Y	N
1	2009 FORD ESP	24,752	0	0	24,752		X		X	X	
2	DODGE VAN CONVER	8,700	0	0	8,700		X		X	X	
3	GMAC VAN CONVERSI	10,001		0	10,001		X		X	X	
4	VAN	3,500	0	0	3,500		X		X	X	
5	VAN	15,100	0	0	15,100		X		X	X	
6	VAN CONVERSIONS	3,500		0	3,500		X		X	X	

Form 4562 Statement - 990

3/31/2009

Item No	Description of Property	Date Placed In Service	Asset Code	Bus Use %	Cost or Other Basis	Sec 179 Deduction	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec, 179, Bonus	2008 Deprec	2008 Accum Deprec				
11	NON AMBULATORY M	2/2/2001	F-10	100 00%	3,000	0	0	0	3,000	7	200DB	HY	2,814	134	2,948				
12	OFFICE FURNITURE	2/12/2001	F-11	100 00%	264	0	0	0	264	7	200DB	HY	249	12	261				
14	DESK & CHAIR	7/17/2001	F-11	100 00%	987	0	0	0	987	7	200DB	HY	943	44	987				
46	NON AMBULATORY M	4/17/2003	F-10	100 00%	1,790	0	537	0	1,253	7	200DB	HY	1,510	112	1,622				
47	NON AMBULATORY C	1/20/2004	F-10	100 00%	3,000	0	1,500	0	1,500	7	200DB	HY	2,792	134	2,926				
48	NON AMBULATORY C	3/12/2004	F-10	100 00%	1,500	0	750	0	750	7	200DB	HY	1,397	67	1,464				
57	OFFICE EQUIPMENT	1/20/2005	F-11	100 00%	1,699	0	0	0	1,699	7	200DB	HY	1,372	212	1,584				
56	AFICIO 2045 COPIER	2/7/2005	F-11	100 00%	15,546	0	0	0	15,546	7	200DB	HY	12,555	1,942	14,497				
61	OFFICE EQUIPMENT	11/20/2007	F-10	100 00%	397	0	0	0	397	7	200DB	MQ3	43	101	144				
60	COMPUTER	2/1/2008	F-5	100 00%	1,293	0	647	0	646	5	200DB	MQ4	679	245	924				
62	LAP TOP COMPUTER	6/21/2008	F-5	100 00%	1,451	0	726	0	725	5	200DB	HY	0	145	871				
63	CONVERSION TO DIS	6/21/2008	F-10	100 00%	520	0	260	0	260	7	200DB	HY	0	37	297				
Listed Property																			
Listed property with more than 50% business use (Line 25 and 26)																			
15	GMAC VAN CONVERTER	8/8/1996	V-5	100 00%	27,404	0	0	0	27,404	5	200DB	HY	27,404	0	27,404				
16	PRINTER	6/1/1997	F-4	100 00%	568	0	0	0	568	5	200DB	HY	568	0	568				
17	PRINTER	3/1/1998	F-4	100 00%	410	0	0	0	410	5	200DB	HY	410	0	410				
18	DODGE VAN CONVEI	4/1/1998	V-5	100 00%	43,820	0	0	0	43,820	5	200DB	HY	29,139	1,775	30,914				
20	COMPUTER	1/25/1999	F-4	100 00%	720	0	0	0	720	5	200DB	HY	719	0	719				
21	COMPUTER	1/25/1999	F-4	100 00%	720	0	0	0	720	5	200DB	HY	719	0	719				
22	LAZER PRINTER	1/26/1999	F-4	100 00%	750	0	0	0	750	5	200DB	HY	749	0	749				
23	PRINTER	2/8/1999	F-4	100 00%	249	0	0	0	249	5	200DB	HY	249	0	249				
24	COMPUTER	11/16/1999	F-4	100 00%	1,095	371	0	0	724	5	200DB	HY	1,065	0	1,065				
25	COMPUTER ACCESS	11/16/1999	F-4	100 00%	4,608	0	0	0	4,608	5	200DB	HY	4,608	0	4,608				
26	3 PRINTERS	5/11/2000	F-4	100 00%	2,257	0	0	0	2,257	5	200DB	HY	2,256	0	2,256				
27	CELLULAR PHONES	5/11/2000	F-8	100 00%	1,289	0	0	0	1,289	7	200DB	HY	1,288	0	1,288				
28	PALM PILOTS	6/1/2000	F-4	100 00%	2,491	0	0	0	2,491	5	200DB	HY	2,490	0	2,490				
29	CELLULAR PHONES	7/18/2000	F-8	100 00%	281	0	0	0	281	7	200DB	HY	281	0	281				
30	COMPUTER ACCESS	10/19/2000	F-4	100 00%	400	0	0	0	400	5	200DB	HY	323	0	323				
32	34 DELL COMPUTER:	11/30/2000	F-4	100 00%	15,548	0	0	0	15,548	5	200DB	HY	15,548	0	15,548				
33	CELLULAR PHONES	12/4/2000	F-8	100 00%	1,103	0	0	0	1,103	7	200DB	HY	1,102	0	1,102				
34	PALM PILOTS	12/14/2000	F-4	100 00%	3,636	0	0	0	3,636	5	200DB	HY	3,636	0	3,636				
35	SPEAKERS FOR COM	12/27/2000	F-4	100 00%	221	0	0	0	221	5	200DB	HY	220	0	220				
36	USED COMPUTER	5/2/2001	F-4	100 00%	378	0	0	0	378	5	200DB	HY	378	0	378				
37	TELEPHONE SYSTEM	6/15/2001	F-8	100 00%	6,786	0	0	0	6,786	7	200DB	HY	6,484	302	6,786				
39	TELEVISION & VCR	9/11/2001	F-8	100 00%	984	0	0	0	984	7	200DB	HY	941	43	984				
41	CELLULAR PHONES	10/12/2001	F-8	100 00%	1,277	0	0	0	1,277	7	200DB	HY	1,219	57	1,276				
41	CELLULAR PHONE H	1/22/2002	F-8	100 00%	213	0	0	0	213	7	200DB	HY	203	10	213				
42	2 PALM PILOTS	3/1/2002	F-4	100 00%	1,032	0	0	0	1,032	5	200DB	HY	1,032	0	1,032				
44	CELLULAR PHONES	11/19/2002	F-8	100 00%	400	0	120	0	280	7	200DB	HY	379	21	400				
49	PRINTER	2/3/2004	F-4	100 00%	222	0	111	0	111	5	200DB	HY	222	0	222				
50	PRINTERS	3/3/2004	F-4	100 00%	1,162	0	581	0	581	5	200DB	HY	1,162	0	1,162				
51	VAN	10/27/2003	V-7	100 00%	39,385	0	11,010	0	28,375	5	200DB	HY	23,610	1,134	24,744				
52	VAN CONVERSIONS	12/18/2003	V-7	100 00%	7,800	0	3,900	0	3,900	5	200DB	HY	7,575	225	7,800				
53	CELLULAR TELEPHO	7/7/2003	F-8	100 00%	249	0	125	0	124	7	200DB	HY	221	11	232				
54	15" MONITOR	12/15/2004	F-4	100 00%	258	258	0	0	0	5	200DB	HY	258	0	258				
59	VAN	9/22/2004	V-5	100 00%	38,746	0	10,610	0	28,136	5	200DB	HY	19,935	1,675	21,610				
64	2009 FORD ESP	9/24/2008	V-6	100 00%	24,492	0	12,246	0	12,246	5	200DB	HY	0	2,449	14,695				
Total listed prop with > 50% business use														230,954	629	38,703	0	191,622	176,341
Subtotal Listed Property														230,954	629	38,703	0	191,622	176,341

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return FREE TO BE PROGRAMS, INC.	Business or activity to which this form relates 990	Identifying number 95-3921893
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000
2 Total cost of section 179 property placed in service (see instructions)	2	26,463
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	250,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6			
7 Listed property. Enter the amount from line 29			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 line 13 of your 2007 Form 4562			10
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)			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

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	986
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2008	17	3,003
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property		725	5	HY	200DB	145
c 7-year property		260	7	HY	200DB	37
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	19,948
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	24,119
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

Table with columns (a) through (i) for depreciation and other information. Includes rows 24a, 25, 26, 27, 28, and 29.

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) for miles driven and personal use questions (30-36).

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

Table for Section C with questions 37-41 and Yes/No columns.

Part VI Amortization

Table for Section VI with columns (a) through (f) for amortization of costs. Includes rows 42, 43, and 44.