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Return of Organization Exempt From Income Tax

2008

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

Open to Public Inspection

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

For the 2008 calendar year, or tax year beginning 7/01

, 2008, and ending 6/30

, 2009

B Check if applicable

- Address change
- Name change
- Initial return
- Termination
- Amended return
- Application pending

Please use
IRS label
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See
specific
instruc-
tions.

A BETTER WAY, INC.
3200 ADELINE STREET
BERKELEY, CA 94703

F Name and address of principal officer ROBERT SEYMOUR
SAME AS C ABOVE

I Tax-exempt status 501(c) (3) ▶ (insert no) 4947(a)(1) or 527

J Website: ▶ N/A

K Type of organization Corporation Trust Association Other ▶

L Year of Formation

M State of legal domicile CA

D Employer Identification Number

93-1190792

E Telephone number

510-601-0203

G Gross receipts \$ 4,833,016.

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

H(b) Are all affiliates included? Yes No

If 'No,' attach a list (see instructions)

H(c) Group exemption number ▶

Part I Summary

1 Briefly describe the organization's mission or most significant activities TO HELP CHILDREN AND FAMILIES DEVELOP THE INSIGHTS, LIFE SKILLS AND PERMANENT RELATIONSHIPS TO PROMOTE THEIR SOCIAL, EMOTIONAL, EDUCATIONAL AND ECONOMIC WELL BEING.

Activities & Governance	2 Check this box ▶ <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets	3	11
	3 Number of voting members of the governing body (Part VI, line 1a)	4	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	5	87
	5 Total number of employees (Part V, line 2a)	6	12
	6 Total number of volunteers (estimate if necessary)	7a	0.
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7b	0.

Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	274,948.	4,813,737.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,101,928.	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,739.	17,310.
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,378,615.	4,833,016.

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)	2,066,664.	2,944,539.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (A), line 25) ▶ RECEIVED		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24)	1,087,460.	1,734,795.

Net Assets or Fund Balances	18 Total expenses Add lines 13-17 (May equal Part IX, column (A), line 25)	3,154,124.	4,679,334.
	19 Revenue less expenses Subtract line 18 from line 12	224,491.	153,682.

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)	2,023,684.	2,256,122.
	22 Net assets or fund balances Subtract line 21 from line 20	1,376,510.	1,455,266.

Sign Here	OGDEN, UT		
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Sign Here	RECEIVED	Date	
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Sign Here	ROBERT SEYMOUR	Type or print name and title	TREASURER
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Paid Preparer's Use Only	Preparer's signature	CHARLENE R. SMITH	Date	Check if self-employed ▶ <input type="checkbox"/>	Preparer's identifying number (see instructions)
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Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP + 4	GRANT & SMITH, LLP	5/11/10	EIN ▶ 94-3169649
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Paid Preparer's Use Only	OAKLAND, CA 94612	Phone no ▶ (510) 832-0257
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May the IRS discuss this return with the preparer shown above? (see instructions)

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

TEEA0112L 12/22/08 Form 990 (2008)

G-16

Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's mission

TO HELP CHILDREN AND FAMILIES DEVELOP THE INSIGHTS, LIFE SKILLS AND PERMANENT RELATIONSHIPS TO PROMOTE THEIR SOCIAL, EMOTIONAL, EDUCATIONAL AND ECONOMIC WELL BEING.

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 \$ 4,134,484, including grants of \$ _____) (Revenue \$ _____)

WORKING WITH THE COMMUNITY, A BETTER WAY PROVIDED A NURTURING ENVIRONMENT THAT MADE POSITIVE DIFFERENCES IN CHILDREN OF ALL AGES. WE DID THIS BY PROVIDING MENTAL HEALTH, FOSTER CARE AND ADOPTION SERVICES TO CHILDREN ENABLING THEM TO REACH THEIR FULLEST POTENTIAL AND BECOME HEALTHY, CONFIDENT AND PRODUCTIVE INDIVIDUALS. WE DID THIS IN CLOSE COLLABORATION WITH OUR CHILDREN'S AND YOUTH'S FOSTER, ADOPTIVE, AND/OR BIOLOGICAL FAMILIES TO CREATE PERMANENCY.

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 ► \$ 4,134,484. (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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Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	0		
1b	0		
1c			
2a	87		
2b	X		
3a		X	
3b			
4a		X	
5a		X	
5b		X	
5c			
6a		X	
6b			
7a		X	
7b			
7c		X	
7d			
7e		X	
7f		X	
7g		X	
7h		X	
8			
9a			
9b			
10a			
10b			
11a			
11b			
12a			
12b			

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

1b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable

c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?

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

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)

3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

b If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O

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)?

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?

b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?

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?

6a Did the organization solicit any contributions that were not tax deductible?

b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?

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?

b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?

c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?

d If 'Yes,' indicate the number of Forms 8282 filed during the year

e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?

h For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?

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?

9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.

a Did the organization make any taxable distributions under section 4966?

b Did the organization make any distribution to a donor, donor advisor, or related person?

10 Section 501(c)(7) organizations. Enter

a Initiation fees and capital contributions included on Part VIII, line 12

b Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities

11 Section 501(c)(12) organizations. Enter

a Gross income from other members or shareholders

b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)

12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?

b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year

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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

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	11	
1b Enter the number of voting members that are independent	10	
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
b 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?		
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	X

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

► A BETTER WAY, INC. 3200 ADELINE ST. BERKELEY CA 94703 510-601-0203

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) or more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) **1** (B) **2** (C) **3** (D) **4** (E) **5** (F) **6**

Name and Title Average hours Position (check all that apply) Reportable compensation from

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont.)

1 b Total

109,471.

0

0.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 1

	Yes	No
3		X
4		X
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

Part VIII Statement of Revenue

CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	Business Code	(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c				
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f	4,813,737.			
g Noncash contribns included in lns 1a-1f		\$ 40,600.			
h Total. Add lines 1a-1f			4,813,737.		
PROGRAM SERVICE REVENUE					
2a	Business Code				
b					
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f					
3 Investment income (including dividends, interest and other similar amounts)		1,969.			1,969.
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross Rents	(i) Real	17,310.			
b Less: rental expenses					
c Rental income or (loss)		17,310.			
d Net rental income or (loss)			17,310.		17,310.
7a Gross amount from sales of assets other than inventory	(i) Securities				
b Less: cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)					
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					
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					
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					
Miscellaneous Revenue	Business Code				
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d					
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		4,833,016.	0.	0.	19,279.

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	109,471.	109,471.	0.	0.
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	2,152,503.	1,828,504.	323,999.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	457,308.	391,805.	65,503.	
10 Payroll taxes	225,257.	176,052.	49,205.	
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Prof fundraising svcs See Part IV, ln 17				
f Investment management fees				
g Other	159,068.	92,838.	66,230.	
12 Advertising and promotion	9,750.	9,750.		
13 Office expenses	95,947.	82,827.	13,120.	
14 Information technology	120,705.	112,185.	8,520.	
15 Royalties				
16 Occupancy	244,254.	244,254.		
17 Travel	2,368.	978.	1,390.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	72,995.	72,995.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	96,836.	96,836.		
23 Insurance	58,368.	55,305.	3,063.	
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 FOSTER FAMILY PAYMENTS	379,529.	376,931.	2,598.	
b RESERVE FOR ACCOUNTS RECEIV.	295,538.	295,538.		
c TRANSPORTATION	146,656.	142,843.	3,813.	
d TRAINING/CE	27,975.	25,435.	2,540.	
e TAXES & LICENSES	15,175.	12,426.	2,749.	
f All other expenses	9,631.	7,511.	2,120.	
25 Total functional expenses. Add lines 1 through 24f	4,679,334.	4,134,484.	544,850.	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	120,329.	1	145,248.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	705,010.	3	839,991.
	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		8	
	9 Prepaid expenses and deferred charges	11,382.	9	60,154.
	10a Land, buildings, and equipment cost basis	10a 1,782,032.		
	b Less accumulated depreciation Complete Part VI of Schedule D	10b 571,303.	10c	1,210,729.
	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)	2,023,684.	16	2,256,122.
LIABILITIES	17 Accounts payable and accrued expenses	225,941.	17	347,029.
	18 Grants payable		18	
	19 Deferred revenue	19,189.	19	116,750.
	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	1,131,380.	23	991,487.
	24 Unsecured notes and loans payable		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities Add lines 17 through 25	1,376,510.	26	1,455,266.
NET ASSETS OR FUNDS	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.			
	27 Unrestricted net assets	630,822.	27	788,741.
	28 Temporarily restricted net assets	16,352.	28	12,115.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <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.	647,174.	33	800,856.
	34 Total liabilities and net assets/fund balances	2,023,684.	34	2,256,122.

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: Cash Accrual Other

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

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?

b If 'Yes,' did the organization undergo the required audit or audits?

	Yes	No
2a	X	
2b	X	
2c	X	
3a	X	
3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

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

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

A BETTER WAY, INC.

Employer identification number

93-1190792

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?

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

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

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) ►	(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')	45,949.	44,776.	69,389.	274,948.	4,813,737.	5,248,799.
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						0.
4 Total. Add lines 1-3	45,949.	44,776.	69,389.	274,948.	4,813,737.	5,248,799.
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)						0.
6 Public support. Subtract line 5 from line 4						5,248,799.

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	45,949.	44,776.	69,389.	274,948.	4,813,737.	5,248,799.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			78.	1,048.	1,739.	1,969.
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) SEE PART IV					17,310.	17,310.
11 Total support. Add lines 7 through 10						5,270,943.
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						<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	99.6 %
15 Public support percentage for 2007 Schedule A, Part IV-A, line 26f	15	99.0 %
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		<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		<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		<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		<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		<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) ►

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)

	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1						
2						
3						
4						
5						
6 Total.						
7a						
b						
c						
8 Public support						
7c						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ►

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 lines 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 ►

	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9						
10a						
b						
c						
11						
12						
13 Total support.						

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 ►

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 ►

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

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)

SCHEDULE D
(Form 990)**Supplemental Financial Statements**

OMB No 1545 0047

2008**Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceAttach 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.

Name of the organization

A BETTER WAY, INC.

Employer identification number

93-1190792

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? Yes 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?? Yes 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 ► _____

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

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 ► _____

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

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.

1a 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 ► \$ _____

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

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 ► \$ _____

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

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
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

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.

1a 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
1c	
1d	
1e	
1f	

2a 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.

1a 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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

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

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► _____ %

c Term endowment ► _____ %

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

Yes	No
3a(i)	
3a(ii)	
3b	

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

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
1a Land		225,000.		225,000.
b Buildings		196,508.		196,508.
c Leasehold improvements		1,134,429.		1,134,429.
d Equipment		134,761.		134,761.
e Other		91,334.	571,303.	-479,969.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				1,210,729.

BAA

Schedule D (Form 990) 2008

Part VII Investments—Other Securities See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security) **(b) Book value** **(c) Method of valuation**
Cost or end-of-year market value

Financial derivatives and other financial products

Closely-held equity interests

Other

Total. (Column (b) should equal Form 990 Part X, col. (B) line 12.)

Part VIII Investments—Program Related (See Form 990, Part X, line 13)

N/A

(a) Description of investment type

(b) Book value

(c) Method of valuation
Cost or end-of-year market value

Total Column (b)(should equal Form 990, Part X, Col (B) line 13)

Part IX Other Assets (See Form 990, Part X, line 15)

N/A

(b) Book value

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

Part X Other Liabilities (See Form 990, Part X, line 25)

(a) Description of Liability

(b) Amount

Federal Income Taxes

Total, Column (b) Total (should equal Form 990, Part X, col. (B) line 25) ►

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI | Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1 Total revenue (Form 990, Part VIII, column (A), line 12)	4,833,016.
2 Total expenses (Form 990, Part IX, column (A), line 25)	4,679,334.
3 Excess or (deficit) for the year Subtract line 2 from line 1	153,682.
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	153,682.

Part XII | Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1 Total revenue, gains, and other support per audited financial statements	1	4,833,016.
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	4,833,016.
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	4,833,016.

Part XIII | Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1 Total expenses and losses per audited financial statements	1	4,679,334.
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	4,679,334.
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	4,679,334.

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

Part XIV **Supplemental Information (continued)**

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

► To be completed by organizations that answered 'Yes'
on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

A BETTER WAY, INC.

Employer identification number

93-1190792

Part I | Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (_____)				
26 Other ► (_____)				
27 Other ► (_____)				
28 Other ► (_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?
b If 'Yes,' describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?
b If 'Yes,' describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a		X

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

Schedule M (Form 990) 2008

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE O
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

A BETTER WAY, INC.

Employer identification number

93-1190792

FORM 990, PART VI, LINE 10 - FORM 990 REVIEW PROCESSTHE TAX RETURN IS REVIEWED BY THE AUDIT AND FINANCE COMMITTEES WHO THEN RECOMMENDTHE TAX RETURN FOR APPROVAL OR DISAPPROVAL BY THE BOARD. AFTER FINAL REVIEW BY THEBOARD A VOTE IS TAKEN FOR FINAL APPROVAL.**FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEE**EXECUTIVE CEO COMPENSATIONTHE COMPENSATION PACKAGE FOR THE PRESIDENT/CEO IS DETERMINED BY THE BOARD OFDIRECTORS BASED ON AN ANNUAL REVIEW OF PERFORMANCE. PERFORMANCE ON ANNUAL GOALSESTABLISHED DURING THE YEAR IS EVALUATED BY THE EXECUTIVE COMMITTEE AND REPORTED TOTHE BOARD EACH YEAR. PRIOR TO CONDUCTING THE PERFORMANCE REVIEW MEMBERS OF THEEXECUTIVE COMMITTEE OR THEIR DESIGNEES WILL RESEARCH COMPENSATION PLANS OF OTHERORGANIZATIONS WHO PROVIDE SIMILAR SERVICES AND WHO HAVE BUDGETS IN THE SAME RANGE ASA BETTER WAY, INC.AFTER ENSURING THAT THE PROPOSED COMPENSATION IS REASONABLE AND IN LINE WITHEXECUTIVE COMPENSATION IN SIMILAR AGENCIES, THE EXECUTIVE COMMITTEE WILL COMPLETETHE PRESIDENT/CEO PERFORMANCE REVIEW AND PREPARE A RECOMMENDATION TO BE FORWARDED TOTHE FULL BOARD OF DIRECTORS. THE FINAL RECOMMENDED COMPENSATION PACKAGE FOR THEDIRECTORS WITH A SUMMARY OF THE RESEARCH ON COMPARABLE EXECUTIVE PACKAGES WILL BEPROVIDED TO BOARD MEMBERS FOR THEIR REVIEW AND APPROVAL.EMPLOYEE COMPENSATIONCOMPENSATION FOR EMPLOYEES AT A BETTER WAY, INC. IS DETERMINED BASED ON SALARIES OFSIMILAR POSITIONS WITHIN THE NON PROFIT SECTOR. AT LEAST EVERY THREE YEARS A

Name of the organization

A BETTER WAY, INC.

Employer identification number

93-1190792

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEE

COMPENSATION STUDY IS COMPLETED AND PAY RANGES FOR EACH POSITION'S CATEGORY ARE

PREPARED BY THE ADMINISTRATION DIRECTOR. THE STUDY WILL INCLUDE INFORMATION

REGARDING PAY IN OTHER NON PROFIT ORGANIZATIONS WITHIN CALIFORNIA AND THE BAY AREA.

THE COMPENSATION TABLE IS REVIEWED AND APPROVED BY THE ADMINISTRATION COMMITTEE AND

FINANCE COMMITTEE.

IN APRIL AND MAY OF EACH YEAR PERFORMANCE REVIEWS OF ALL REGULAR EMPLOYEES ARE

COMPLETED AND REVIEWED BY THE EXECUTIVE MANAGEMENT TEAM. BASED PRIMARILY ON THOSE

PERFORMANCE REVIEWS, SALARY INCREASES MAY BE GIVEN TO BE EFFECTIVE THE FOLLOWING

FISCAL YEAR.

OCCASIONALLY, BONUSES MAY ALSO BE AWARDED BASED ON PRODUCTIVITY, INCREASES IN

RESPONSIBILITY, OR EXCEPTIONAL PERFORMANCE. THESE WILL BE REVIEWED BY THE EXECUTIVE

MANAGEMENT TEAM TO ENSURE THAT THEY ARE IN LINE WITH THE BUDGET AND LEVEL OF

PERFORMANCE.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

DOCUMENTS ARE AVAILABLE UPON REQUEST.

2008

SCHEDULE A, PART IV - SUPPLEMENTAL INFORMATION PAGE 5

A BETTER WAY, INC.

93-1190792

PART II, LINE 10 - OTHER INCOME

<u>NATURE AND SOURCE</u>	2008	2007	2006	2005	2004
RENTAL INCOME	17,310.				
TOTAL	<u>\$ 17,310.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Application for Extension of Time To File an
Exempt Organization Return

OMB No 1545-1709

Department of the Treasury
Internal Revenue Service

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

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ▶

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

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/file and click on e-file for Charities & Nonprofits

Type or print	Name of Exempt Organization A BETTER WAY, INC.	Employer identification number 93-1190792
File by the due date for filing your return. See instructions	Number, street, and room or suite number. If a P O box, see instructions 3200 ADELINE STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions BERKELEY, CA 94703	

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 ► **A BETTER WAY, INC.** -----

Telephone No ► **510-601-0203** FAX No ► **510-601-4002** ▶

- If the organization does not have an office or place of business in the United States, check this box ▶
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ► . If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 2/15, 20 10, to file the exempt organization return for the organization named above.

The extension is for the organization's return for

- calendar year 20 ____ or
- tax year beginning 7/01, 20 08, and ending 6/30, 20 09

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

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