

Short Form
Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code**
(except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.

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

2009**Open to Public
Inspection****A For the 2009 calendar year, or tax year beginning , 2009, and ending ,**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Please use IRS label or print or type. See Specific Instructions. NOTES FOR NOTES, INC. PO BOX 90632 SANTA BARBARA, CA 93190	D Employer identification number 20-4875556
		E Telephone number 802-318-3657
		F Group Exemption Number..... ▶
		G Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).****I Website:** ▶ notesfornotes.org**J Tax-exempt status** (check only one) — ☒ 501(c) (3) ▶ (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check ☐ if the organization is not a section 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.**L** Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$500,000 or more, file Form 990 instead of Form 990-EZ. ▶ \$ 99,839.**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions for Part I.)

REVENUE	1 Contributions, gifts, grants, and similar amounts received.....	1	96,029.
	2 Program service revenue including government fees and contracts.....	2	
	3 Membership dues and assessments.....	3	
	4 Investment income.....	4	
	5a Gross amount from sale of assets other than inventory.....	5a	1,900.
	b Less: cost or other basis and sales expenses.....	5b	988.
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a).....	5c	912.
	6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here. <input type="checkbox"/>		
	a Gross revenue (not including \$ _____ of contributions reported on line 1).....	6a	1,485.
b Less: direct expenses other than fundraising expenses.....	6b		
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a).....	6c	1,485.	
7a Gross sales of inventory, less returns and allowances.....	7a	425.	
b Less: cost of goods sold.....	7b	233.	
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a).....	7c	192.	
8 Other revenue (describe ▶ _____).	8		
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8.....	9	98,618.	
EXPENSES	10 Grants and similar amounts paid (attach schedule).....	10	
	11 Benefits paid to or for members.....	11	
	12 Salaries, other compensation, and employee benefits.....	12	26,487.
	13 Professional fees and other payments to independent contractors.....	13	9,686.
	14 Occupancy, rent, utilities, and maintenance.....	14	12,000.
	15 Printing, publications, postage, and shipping.....	15	128.
	16 Other expenses (describe ▶ <u>See Statement 2</u>).....	16	18,062.
17 Total expenses. Add lines 10 through 16.....	17	66,363.	
ASSETS	18 Excess or (deficit) for the year (Subtract line 17 from line 9).....	18	32,255.
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return).....	19	37,935.
	20 Other changes in net assets or fund balances (attach explanation).....	20	
	21 Net assets or fund balances at end of year. Combine lines 18 through 20.....	21	70,190.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments.....	3,095.	22 31,066.
23 Land and buildings.....		23
24 Other assets (describe ▶ <u>See Statement 3</u>).....	34,840.	24 39,124.
25 Total assets.	37,935.	25 70,190.
26 Total liabilities (describe ▶ _____).....	0.	26 0.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21).....	37,935.	27 70,190.

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.Form **990-EZ** (2009)

Expenses

(Required for section 501(c)(3) and (4) organizations and section 4947(a)(1) trusts; optional for others.)

organizations and section 4947(a)(1) trusts; optional for others.)

28a	51,812.
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29 a	
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30 a

31 a	
------	--

31 a	
32	51,812.

32	51,812.
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(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
RODERICK C. HARE PO BOX 21351 SANTA BARBARA, CA 93121	President 5.00	0.	0.	0.
MICHAEL MARANS PO BOX 90632 SANTA BARBARA, CA 93190	Vice President 2.00	0.	0.	0.
JEFF THIEMER PO BOX 21351 SANTA BARBARA, CA 93121	Director 2.00	0.	0.	0.
ANNA MARIE GOTT PO BOX 21351 SANTA BARBARA, CA 93121	Director 2.00	0.	0.	0.
PHILIP GILLEY PO BOX 90632 SANTA BARBARA, CA 93190	Executive Direc 20.00	17,560.	0.	0.
IAN SMITH PO BOX 90632 SANTA BARBARA, CA 93190	Treasurer 2.00	0.	0.	0.
HOLLY CHADWIN PO BOX 90632 SANTA BARBARA, CA 93190	Director 2.00	0.	0.	0.
NATALIE GRACE NOONE PO BOX 90632 SANTA BARBARA, CA 93190	Director 2.00	0.	0.	0.

Part V Other Information (Note the statement requirements in the instrs for Part V.) See Statement 6

	Yes	No
33 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.	33	X
34 Were any changes made to the organizing or governing documents? If 'Yes,' attach a conformed copy of the changes.	34	X
35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.		
a Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	35b	
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If 'Yes,' complete applicable parts of Schedule N	36	X
37a Enter amount of political expenditures, direct or indirect, as described in the instructions. 37a 0.	37a	
b Did the organization file Form 1120-POL for this year?	37b	X
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a	X
b If 'Yes,' complete Schedule L, Part II and enter the total amount involved	38b N/A	
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9	39a N/A	
b Gross receipts, included on line 9, for public use of club facilities	39b N/A	
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I	40b	X
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0.	
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization	0.	
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T	40e	X
41 List the states with which a copy of this return is filed ▶ <u>None</u>		

42a The organization's books are in care of ▶ NICHOLSON & SCHWARTZ, CPA'S Telephone no. ▶ 805-969-9662
 Located at ▶ 1151 COAST VILLIAGE RD. #3 SANTA BARBARA CA ZIP + 4 ▶ 93108

	Yes	No
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country:.. ▶	42b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.		
c At any time during the calendar year, did the organization maintain an office outside of the U.S.? If 'Yes,' enter the name of the foreign country:.. ▶	42c	X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041** — Check here ☐ N/A
 and enter the amount of tax-exempt interest received or accrued during the tax year. ▶ **43** N/A

	Yes	No
44 Did the organization maintain any donor advised funds? If 'Yes,' Form 990 must be completed instead of Form 990-EZ	44	X
45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If 'Yes,' Form 990 must be completed instead of Form 990-EZ	45	X

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

	Yes	No
46 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.	46	X
47 Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II.	47	X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.	48	X
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a	X
b If 'Yes,' was the related organization a section 527 organization?	49b	

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				

f Total number of other employees paid over \$100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		

d Total number of other independent contractors each receiving over \$100,000

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer 		Date 	
	PHILIP GILLEY Type or print name and title.		Executive Direc	
Paid Preparer's Use Only	Preparer's signature		Date	
	Firm's name (or yours if self-employed), address, and ZIP + 4	CAROLA NICHOLSON Nicholson & Schwartz 111 E De La Guerra St Santa Barbara, CA 93101		
	Check if self-employed	<input type="checkbox"/> N/A		
	Preparer's Identifying Number (See instructions)	N/A		
	EIN	N/A		
	Phone no.	(805) 969-9662		

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

BAA

Form 990-EZ (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► **Attach to Form 990 or Form 990-EZ. ► See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

NOTES FOR NOTES, INC.

Employer identification number

20-4875556

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: (For lines 1 through 11, check only one box.)

- 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)**.
- 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)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III – Functionally integrated d ☐ Type III – Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

h Provide the following information about the supported organizations.

(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	
Total									

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

Schedule **A** (Form 990 or 990-EZ) 2009

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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)...						
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.						
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.						
4 Total. Add lines 1-through 3. ...						
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.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.						
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10.						
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. ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14.	15	%
16a 33-1/3 support test — 2009. 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 type="checkbox"/>		
b 33-1/3 support test — 2008. 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 — 2009 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 — 2008. 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"/>		

BAA

Schedule A (Form 990 or 990-EZ) 2009

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) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)		250.	29,286.	80,966.	96,029.	206,531.
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.						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.
5 The value of services or facilities furnished by a governmental unit to the organization without charge.				7,800.		7,800.
6 Total. Add lines 1 through 5.	0.	250.	29,286.	88,766.	96,029.	214,331.
7a Amounts included on lines 1, 2, 3 received from disqualified persons.	0.	0.	0.	0.	0.	0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the amount on line 13 for the year.	0.	0.	0.	0.	0.	0.
c Add lines 7a and 7b.	0.	0.	0.	0.	0.	0.
8 Public support (Subtract line 7c from line 6.)						214,331.

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6.	0.	250.	29,286.	88,766.	96,029.	214,331.
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 on 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.
13 Total support. (add lns 9, 10c, 11, and 12.)						214,331.

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. ☒ **X**

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17.	18	%

19a **33-1/3 support tests — 2009.** 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 — 2008.** 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

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

[illegible]

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ, or 990-PF**

OMB No. 1545-0047

2009

Name of the organization

NOTES FOR NOTES, INC.

Employer identification number

20-4875556

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule –

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

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

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

NOTES FOR NOTES, INC.

20-4875556

Part I Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	CROSBY FAMILY FOUNDATION 11 QUIDNIC RD. WABAN, MA 02468	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	JOHNSON OHANA CHARITABLE FOUNDATION 2020 UNION ST. SAN FRANCISCO, CA 94123	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	WOOD-CLAEYSENS FOUNDATION PO BOX 30586 SANTA BARBARA, CA 93103-0586	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	SANTA BARBARA BOWL FOUNDATION 1122 N. MILPAS ST. SANTA BARBARA, CA 93103	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	BOYS & GIRLS CLUB OF SB 632 E. CANON PERDIDO ST. SANTA BARBARA, CA 93103	\$ 12,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

NOTES FOR NOTES, INC.

Employer identification number

20-4875556

Part II Noncash Property (see instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
5	RENT		
		\$ 12,000.	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

NOTES FOR NOTES, INC.

20-4875556

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete cols (a) through (e) and the following line entry.)For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **\$1,000 or less** for the year. (Enter this information once — see instructions.) \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

8/08/11

03:24PM

Computation of Cost of Goods Sold (Form 990-EZ)

1. Inventory at start of year.....	791.
2. Purchases.....	329.
3. Cost of labor.....	0.
4. Additional 263A costs.....	0.
5. Other costs.....	0.
6. Total (Add lines 1 through 5).....	<u>1,120.</u>
7. Inventory at end of year.....	<u>887.</u>
8. Cost of goods sold (Subtract line 7 from line 6).....	<u><u>233.</u></u>

2009

California Exempt Organization
Annual Information Return

199

Calendar year 2009 or fiscal year beginning month day year , and ending month day year

A First Return Filed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	B Type of organization Exempt under Section 23701... D (insert letter) IRC Section 4947(a)(1) trust... <input type="checkbox"/>	CORP # 28741244
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Corporation/Organization Name NOTES FOR NOTES, INC.	FEIN 20-4875556
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Address PO BOX 90632	State ZIP Code
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City SANTA BARBARA, CA 93190	State ZIP Code
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C Amended Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D Are you a subordinate/affiliate in a group exemption? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No a Is this a group filing for affiliates? See General Instruction L. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b If 'Yes,' enter the number of affiliates. c Are all affiliates included? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (If 'No,' attach a list. See instructions.) d Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No e Federal Group Exemption Number. f Is a roster of subordinates attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E Final return? <input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn) <input type="checkbox"/> Merged/Reorganized (attach explanation) If a box is checked, enter date. F Check the box if the organization filed the following federal forms or schedule: 1 <input type="checkbox"/> 990T 2 <input type="checkbox"/> 990PF 3 <input type="checkbox"/> (Schedule H) 990 G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public	contributions, check box. See General Instruction F. No filing fee is required. <input type="checkbox"/> H Accounting method used 1 <input checked="" type="checkbox"/> Cash 2 <input type="checkbox"/> Accrual 3 <input type="checkbox"/> Other I If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K Is the organization exempt under R&TC Section 23701g? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' enter amount of gross receipts from nonmember sources. \$ L Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M Is the organization a Limited Liability Company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N Did the organization file Form 100 or Form 109 to report taxable income? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---	--

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

Receipts and Revenues	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8.	1	3,810.
	2 Gross dues and assessments from members and affiliates.	2	
	3 Gross contributions, gifts, grants, and similar amounts received. SEE .SCH. .B	3	96,029.
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C.	4	99,839.
	5 Cost of goods sold.	5	233.
	6 Cost or other basis, and sales expenses of assets sold.	6	988.
	7 Total costs. Add line 5 and line 6.	7	1,221.
	8 Total gross income. Subtract line 7 from line 4.	8	98,618.
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18.	9	66,363.
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8.	10	32,255.
Filing Fee	11 Filing fee \$10 or \$25. See General Instruction F.	11	10.
	12 Total payments.	12	
	13 Penalties and Interest. See General Instruction J.	13	
	14 Use tax. See General Instruction K.	14	
	15 Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result.	15	10.
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer EXECUTIVE DIREC	Title	Date
Paid Preparer's Use Only	Preparer's signature CAROLA NICHOLSON	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address NICHOLSON & SCHWARTZ		
	111 E DE LA GUERRA ST		
	SANTA BARBARA, CA 93101		
	76-0723336		
May the FTB discuss this return with the preparer shown above? See instructions.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions.	•	1	425.
	2	Interest	•	2	
	3	Dividends	•	3	
	4	Gross rents	•	4	
	5	Gross royalties	•	5	
	6	Gross amount received from sale of assets (See Instructions)	•	6	1,900.
	7	Other income. Attach schedule. SEE STATEMENT 1	•	7	1,485.
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1.		8	3,810.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule	•	9	
	10	Disbursements to or for members.	•	10	
	11	Compensation of officers, directors, and trustees. Attach schedule. . SEE STATEMENT 2	•	11	17,560.
	12	Other salaries and wages	•	12	6,504.
	13	Interest	•	13	
	14	Taxes	•	14	2,423.
	15	Rents	•	15	12,000.
	16	Depreciation and depletion (See Instructions)	•	16	8,792.
	17	Other. Attach schedule. SEE STATEMENT 3	•	17	19,084.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.		18	66,363.

Schedule L Balance Sheets		Beginning of taxable year		End of taxable year	
Assets		(a)	(b)	(c)	(d)
1	Cash		3,095.	•	31,066.
2	Net accounts receivable			•	
3	Net notes receivable. Attach schedule			•	
4	Inventories		791.	•	887.
5	Federal and state government obligations			•	
6	Investments in other bonds. Attach sch.			•	
7	Investments in stock. Attach schedule.			•	
8	Mortgage loans (number of loans _____)			•	
9	Other investments. Attach schedule			•	
10 a	Depreciable assets.	37,506.		50,613.	
b	Less accumulated depreciation.	3,457.	34,049.	12,376.	38,237.
11	Land			•	
12	Other assets. Attach schedule			•	
13	Total assets		37,935.		70,190.
Liabilities and net worth					
14	Accounts payable			•	
15	Contributions, gifts, or grants payable			•	
16	Bonds and notes payable. Attach schedule			•	
17	Mortgages payable			•	
18	Other liabilities. Attach schedule				
19	Capital stock or principle fund		37,935.	•	70,190.
20	Paid-in or capital surplus. Attach reconciliation.			•	
21	Retained earnings or income fund			•	
22	Total liabilities and net worth		37,935.		70,190.

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

1	Net income per books	•	32,255.	7	Income recorded on books this year not included in this return. Attach schedule.	•	
2	Federal income tax	•		8	Deductions in this return not charged against book income this year. Attach schedule.	•	
3	Excess of capital losses over capital gains	•		9	Total. Add line 7 and line 8		
4	Income not recorded on books this year. Attach schedule.	•		10	Net income per return. Subtract line 9 from line 6		32,255.
5	Expenses recorded on books this year not deducted in this return. Attach schedule	•					
6	Total. Add line 1 through line 5		32,255.				

2009 Corporation Depreciation and Amortization**3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

1	Maximum deduction under Section 179 for California.....	1	\$25,000
2	Total cost of Section 179 property placed in service.....	2	
3	Threshold cost of Section 179 property before reduction in limitation.....	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	KEYSTATION 49E K	1/01/08	80.	16.	S/L	5	16.	
	2 EA. YAMAHA BR1	1/01/08	428.	86.	S/L	5	86.	
	EMX212S STEREO P	1/01/08	344.	69.	S/L	5	69.	
	TABLETOP CD PLAY	1/01/08	582.	116.	S/L	5	116.	
	NUMARK CHANNEL M	1/01/08	80.	16.	S/L	5	16.	
	LCD MONITOR 17"	1/01/08	158.	32.	S/L	5	32.	
	GUITAR CENTER HE	1/01/08	145.	29.	S/L	5	29.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....					15	8,792.	

Part III Summary

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

Part IV Amortization

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

2009**Corporation Depreciation and Amortization****3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

1	Maximum deduction under Section 179 for California.....	1	\$25,000
2	Total cost of Section 179 property placed in service.....	2	
3	Threshold cost of Section 179 property before reduction in limitation.....	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	DJ EQUIPMENT	10/24/08	1,129.	28.	S/L	5	226.	
	1 EA. V-DRUM SET	4/09/08	638.	80.	S/L	5	128.	
	TABLE TOP MIXER	10/24/08	63.	2.	S/L	5	13.	
	MB 632 EQ. WEST	10/30/08	3,991.	100.	S/L	5	798.	
	MB 632 EQ. WEST	11/04/08	712.	18.	S/L	5	142.	
	COMPUTER EQUIP F	11/05/08	1,040.	26.	S/L	5	208.	
	DELL COMPUTER	1/01/08	503.	168.	S/L	3	168.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

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

Part IV Amortization

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

2009 Corporation Depreciation and Amortization**3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

1	Maximum deduction under Section 179 for California.....	1	\$25,000
2	Total cost of Section 179 property placed in service.....	2	
3	Threshold cost of Section 179 property before reduction in limitation.....	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	MUSIC EQUIPMENT	1/01/08	250.	50.	S/L	5	50.	
	MUSIC EQUIPMENT	1/01/08	3,820.	764.	S/L	5	764.	
	MUSIC EQUIPMENT	4/30/08	1,275.	159.	S/L	5	128.	
	RODE MICROPHONES	8/26/08	229.	17.	S/L	5	46.	
	MUSIC EQUIPMENT	8/20/08	6,435.	483.	S/L	5	1,287.	
	MUSIC EQUIPMENT	9/29/08	6,314.	474.	S/L	5	1,263.	
	MUSIC EQUIPMENT	10/12/08	1,816.	45.	S/L	5	363.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

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

Part IV Amortization

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

2009**Corporation Depreciation and Amortization****3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

1	Maximum deduction under Section 179 for California.....	1	\$25,000
2	Total cost of Section 179 property placed in service.....	2	
3	Threshold cost of Section 179 property before reduction in limitation.....	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	10 SEAT MUSIC PR	10/21/08	1,990.	83.	S/L	5	398.	
	GUITAR	10/28/08	50.	1.	S/L	5	10.	
	MUSIC EQUIPMENT	12/02/08	500.	13.	S/L	5	100.	
	MUSIC EQUIPMENT	12/02/08	50.	1.	S/L	5	10.	
	2EA ABLETON LIVE	10/09/08	1,594.	66.	S/L	5	319.	
	MICRO BR RECORDE	1/01/08	150.	30.	S/L	5	30.	
	MONSTER GUITAR C	1/01/08	60.	12.	S/L	5	12.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

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

Part IV Amortization

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

2009**Corporation Depreciation and Amortization****3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

1	Maximum deduction under Section 179 for California.....	1	\$25,000
2	Total cost of Section 179 property placed in service.....	2	
3	Threshold cost of Section 179 property before reduction in limitation.....	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	KEYBOARD STAND	1/01/08	20.	4.	S/L	5	4.	
	NUMARK TURNTABLE	1/01/08	350.	70.	S/L	5	70.	
	SIMMONS DRUM KIT	1/01/08	350.	70.	S/L	5	70.	
	SIGNS FOR SOUND	1/01/08	106.	21.	S/L	5	21.	
	SIMPLE DR. 640GB	12/19/08	111.	3.	S/L	5	22.	
	DELL COMPUTER	4/30/08	750.	94.	S/L	5	150.	
	OLYMPIA DIGITAL	4/30/08	100.	13.	S/L	5	20.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

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

Part IV Amortization

19	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC section (see instr)	(f) Period or percentage	(g) Amortization for this year
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2009**Corporation Depreciation and Amortization****3885**Attach to Form 100 or Form 100W. **FORM 199**

Corporation name

California corporation number

NOTES FOR NOTES, INC.**28741244****Part I Election to Expense Certain Property Under IRC Section 179**

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7	Listed property (elected Section 179 cost).....	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), line 6 and line 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from prior taxable years.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5.....	11	
12	Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2010. Add line 9 and line 10, less line 12.....	13	

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

14	(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Deprecia- tion method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
	HP PRINTER	4/30/08	50.	6.	S/L	5	10.	
	TV STAND	4/30/08	20.	3.	S/L	5	4.	
	GLASS L DESK	1/01/08	108.	22.	S/L	5	22.	
	FURNITURE MB 632	11/01/08	150.	4.	S/L	5	30.	
	IKEA LAMP	1/01/08	10.	2.	S/L	5	2.	
	FOLDING TABLE	1/01/08	25.	5.	S/L	5	5.	
	WHITE BOARD	1/01/08	10.	2.	S/L	5	2.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

16	Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g).....	16	
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	MUDDY WATERS POS	1/01/08	20.	4.	S/L	5	4.	
	BB KING/MILES DA	1/01/08	500.	100.	S/L	5	100.	
	PURCHASED EQUIPM	6/22/09	890.		S/L	5	89.	
	DONATED EQUIPMEN	6/23/09	11,467.		S/L	5	1,147.	
	OTHER DONATED EQ	3/16/09	750.		S/L	5	113.	
	MUSIC EQUIPMENT	4/30/08	400.	50.	S/L	5	80.	
15	Add the amounts in column (g) and column (h). The combined total of column (h) may not exceed \$2,000. See instructions for line 14, column (h).....						15	

Part III Summary

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Part IV Amortization

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Client NOTE4NOT

NOTES FOR NOTES, INC.

20-4875556

8/08/11

03:24PM

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

Income from Special Events.....	\$	1,485.
Total	\$	<u>1,485.</u>

Statement 2
Form 199, Part II, Line 11
Compensation of Officers, Directors, Trustees and Key Employees

Current Officers:

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
RODERICK C. HARE PO BOX 21351 SANTA BARBARA, CA 93121	President 5.00	\$ 0.	\$ 0.	\$ 0.
MICHAEL MARANS PO BOX 90632 SANTA BARBARA, CA 93190	Vice President 2.00	0.	0.	0.
JEFF THIEMER PO BOX 21351 SANTA BARBARA, CA 93121	Director 2.00	0.	0.	0.
ANNA MARIE GOTT PO BOX 21351 SANTA BARBARA, CA 93121	Director 2.00	0.	0.	0.
PHILIP GILLEY PO BOX 90632 SANTA BARBARA, CA 93190	Executive Direc 20.00	17,560.	0.	0.
IAN SMITH PO BOX 90632 SANTA BARBARA, CA 93190	Treasurer 2.00	0.	0.	0.
HOLLY CHADWIN PO BOX 90632 SANTA BARBARA, CA 93190	Director 2.00	0.	0.	0.
NATALIE GRACE NOONE PO BOX 90632 SANTA BARBARA, CA 93190	Director 2.00	0.	0.	0.
Total		<u>\$ 17,560.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

8/08/11

03:24PM

Statement 3
Form 199, Part II, Line 17
Other Expenses

Accounting Fees.....	\$	1,655.
BANK FEES.....		6.
EMPLOYEE SCREENING.....		100.
FUNDRAISING EXPENSES.....		827.
Insurance.....		3,626.
LICENSES.....		105.
Management fees.....		5,000.
MEALS.....		416.
Office Expenses.....		158.
Other fees.....		3,031.
OUTREACH ACTIVITIES.....		40.
PAYPAL FEES.....		61.
Postage and Shipping.....		128.
SUPPLIES EXPENSE.....		2,688.
TELEPHONE EXPENSE.....		1,072.
Travel.....		25.
WEBSITE EXPENSES.....		146.
Total	\$	<u>19,084.</u>