

Kids Need To Read

inspiring imagination



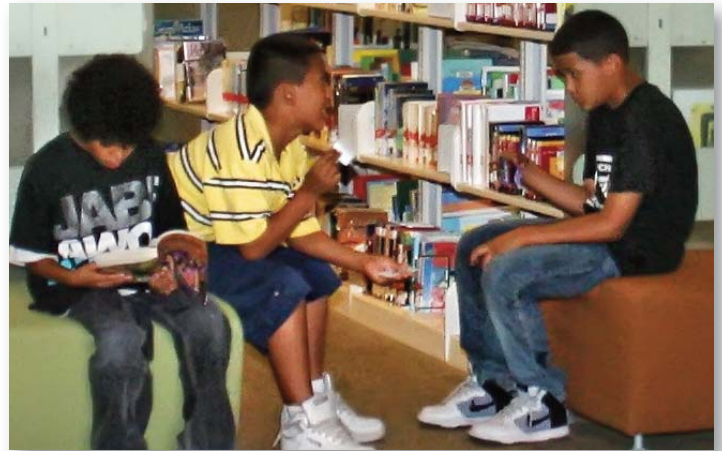
2009 ANNUAL REPORT

Kids Need to Read works to create a culture of reading for children by providing inspiring books to under-funded schools, libraries, and literacy programs across the United States, especially those serving disadvantaged children.

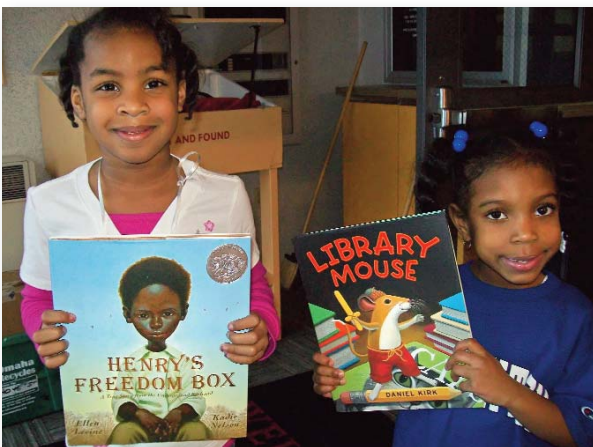
There is a moment—as fragile and invisible as a master magician’s finest illusion—when the words disappear from the printed page and the reader is drawn effortlessly into the story. The surrounding world pales, and the book in the hand seems more real, more compelling, and more magnetic than any daily reality. At that moment, the lifelong reader is born.

CREATING A CULTURE OF READING

Kids Need to Read occupies a unique place in our society. In contrast to other literacy programs in this nation, Kids Need to Read recognizes both the critical importance of early childhood exposure to books, as well as the vital need for continued outreach throughout the teen years. Literacy is the key to stemming dropout rates. Ninth grade is the critical year—children who struggle with reading find they cannot keep up with the high school curriculum and leave school forever, condemning themselves to a life of mediocrity or crime. Our book selections focus on exciting, adventurous stories that quickly capture the hearts and minds of young readers. Additionally, Kids Need to Read provides many full series of novels to entice kids to continue reading beyond one book. Each book on our list has been vetted and approved by educational experts and passes the most stringent test of all: the applause of young readers.



In just over two whirlwind years, Kids Need to Read has provided nearly 10,000 books and magazines to impoverished facilities in 27 states. Kids Need to Read recognizes that many of the children we serve have few positive influences in their lives. We use our books to create a culture of reading for them, so that they can experience positive values and role models within the gifts we provide. Our books contain messages of hope, courage, compassion, kindness, friendship, love, tolerance, and perseverance, among others. In this way, every book we provide serves a dual purpose—increasing the odds of success by inspiring both literacy and social responsibility. The fall of 2010 will see the implementation of a new Kids Need to Read program; one that will require our books to be used as part of a literacy project that will not only inspire reading, but will encourage kindness, self-respect, and community giving.



At a time when unemployment is rising and the economy will almost certainly be rocky for years to come, our best opportunity to provide for our children is to create a generation of readers. Kids who read not only find escape and pleasure in books, they also expand their ability to think through complex issues and anticipate or predict outcomes; benefit from a nourished imagination and increased problem-solving skills; enjoy a heightened vocabulary and improved self-expression; and develop a lifelong love of learning.

Our technique is to donate high-interest books to which children can relate—our mission is to inspire childhood literacy across the nation.

It is **our dream** to fill library shelves with **great books** so that no child lacks for **amazing stories** to inspire their **imagination**s.

PJ Haarsma, Founder

A LETTER FROM THE CHAIRMAN



More than 15,000 children were given the gift of reading in 2009 by Kids Need to Read awards. Many of these children were in desperate need of help, the majority of them coming from difficult social and economic circumstances. Schools, libraries, youth service programs and juvenile treatment facilities received \$43,419 in new books and periodicals in 11 states. Kids Need to Read books are new and come from a list of award winning literature generated by experts in the field of children's and adolescent literacy. These book selections are thoughtfully made to pique young readers' interest and imagination and start them on the path to a lifetime of reading. As the new Kids Need to Read Chairperson, I am thrilled to be a part of such exciting transactions, and my heart soars as I think of each young mind engaging with an inspiring story in a brand-new book. When a child and a book come together, a miracle happens, and that child's life suddenly becomes privy to a myriad of great possibilities.

The greatest of thanks goes to Denise Gary, Kids Need to Read Founding President and Executive Director, who does the lion's share of the work and lives its mission every hour of her life. Thanks are also due Debbie Brown, Chief Financial Officer; Kristen Klein, Secretary; and our Board of Directors, composed of Diane Elhard, Debbie O'Neill, and KaaVonia Hinton-Johnson. In addition, our Kids Need to Read Co-founders and Advisory Council members PJ Haarsma and Nathan Fillion continue to work for the good of kids all over the nation in support of literacy.

Best wishes and great books,

A handwritten signature in black ink that reads "James Blasingame". The signature is written in a cursive, flowing style.

James Blasingame
Chairman

A book is like a garden carried in the pocket.
~ Chinese proverb ~

A LETTER FROM THE PRESIDENT



Kids Need to Read ended 2009 full of enthusiasm and exciting changes. Our legal name, The Kids Need to Read Foundation, was shortened to our common name. We are now simply, “Kids Need to Read.” Continuing on the simplicity track, our mission statement was reduced from bullet points to one streamlined sentence:

Kids Need to Read works to create a culture of reading for children by providing inspiring books to under-funded schools, libraries, and literacy programs across the United States, especially those serving disadvantaged children.

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After serving for nearly two years as the founding chairman of the Kids Need to Read Board of Directors, I decided it was time to step down so that I can fully concentrate on my responsibilities as Executive Director of the organization. Kids Need to Read is solidly established and continues to grow rapidly, giving us many opportunities to “provide a culture of reading for children.” My focus and desire is to implement new program strategies to make Kids Need to Read not only a provider of much needed reading material, but of uplifting, positive influences for the at-risk children we serve. These unique strategies will increase the effectiveness of each Kids Need to Read donation.

In addition to electing Dr. James Blasingame to serve as our new chairman, the Kids Need to Read board continues to grow. We are selecting directors with impeccable credentials, all chosen to add their particular expertise to our program. We continue to receive the most encouraging testimonials, telling us that our gifts are truly making an impact on the kids. The new nonfiction and graphic novels were a huge hit. The Literature Advisory Committee is currently adding more selections to our book donation list, as we are now able to provide larger gifts to the literacy programs asking for our support. As always, we are highly selective, knowing that each book we place into a child’s hands has the ability to spark positive changes in their life.

A great deal of effort has been concentrated on developing sponsorship and fundraising opportunities for Kids Need to Read. Highlights for Children, Inc. stepped forward to join in our efforts by helping us to provide thousands of their magazines, as well as gift subscriptions for libraries. Our wall calendar project was warmly received and will be expanded upon greatly this coming year. Support from the *Browncoats: Redemption* charitable film project has been productive and will culminate in 2010. Phoenix Comicon named Kids Need to Read their sponsored charity for 2010 and beyond. Planning has begun on an annual Hike-a-thon & Book Search event. Our reputation is solid, awareness and respect for Kids Need to Read is growing, and partnership opportunities are rising.

Perhaps the most rewarding experience of the year was bringing the nationwide Free Comic Book Day event directly to the kids of Children First Academy, the nation's largest school for homeless children located in Phoenix and Tempe, Arizona. Armed with free comic books and *Highlights* magazines for every child, we joined with SpazDog Comics owner Shawn Demumbrum and illustrator Derreck West to put on a fun and educational program at both campuses. The presentation was met with great enthusiasm, and we will continue to present it annually.



Poverty-stricken kids with little support from home, illiterate juvenile offenders in remedial programs, special education students who are not being given the resources they need for a solid education . . . these are among the many children Kids Need to Read assists. Some may deem them unworthy. Kids Need to Read knows better. These children can become literate, productive members of society, and it is our society's responsibility to make sure that every one of them does. Whatever time it takes, whatever money it takes, whatever resources it takes, no child should be turned out of elementary school without the ability to read well. Do this and watch this nation's crime and welfare rates fall. This should be the number one educational priority of our country. It *is* the number one priority of Kids Need to Read!

All of us at Kids Need to Read plan to make 2010 a great year for empowering the children we serve. Thank you for supporting our efforts to make a difference in the lives of kids across the United States!

Best regards,

Denise Gary
President and Executive Director

LITERACY PROGRAMS SERVED IN 2009

Kids Need to Read provided inspiring, new books to 19 literacy programs in 11 states during 2009. Together, these organizations received a total of 2,687 books and 3,540 *Highlights* magazines valued at \$43,419. Approximately 85 percent of the 15,209 children we served live at or below the poverty level.

ARIZONA

Children First Academy
(Charter School serving
homeless children)
270 children served
Phoenix, Arizona

Children First Academy
(Charter School serving
homeless children)
168 children served
Tempe, Arizona

Paragon Science Academy
(Charter School – start-up
library)
264 children served
Chandler, Arizona

Sam Garcia Western Avenue
Library
9631 children served
Avondale, Arizona

CALIFORNIA

Camp Glenn Rockey
(Youth Probation Camp)
100 children served
San Dimas, California

The New City School –
Long Beach Boulevard
(Urban Charter School)
275 children served
Long Beach, California

The New City School –
Pine Avenue
(Urban Charter School)
175 children served
Long Beach, California

COLORADO

Rocky Mountain Youth
Academy
(Youth Services Facility)
50 children served
La Jara, Colorado

WASHINGTON

North Public Health Clinic
573 children served
Seattle, Washington

Odessa Brown Children's Clinic
545 children served
Seattle, Washington

Valley Family Medicine
457 children served
Renton, Washington

Rowena Chess Elementary
School
596 children served
Pasco, Washington

MARYLAND

Maritime Industries Academy
#431
(Baltimore City Public Schools)
600 children served
Baltimore, Maryland

MICHIGAN

Golightly Educational Center
(Detroit Public Schools)
788 children served
Detroit, Michigan

MINNESOTA

Willow River High School
90 children served
Willow River, Minnesota

NEW YORK

African Refuge
(After School Program for
refugee and immigrant
community)
45 children served
Staten Island, New York

NORTH CAROLINA

Carter G. Woodson Public
Charter School
410 children served
Winston Salem, North Carolina

OHIO

Mad River Lions Club
71 children served
Dayton, Ohio

TEXAS

Jericho City Church of God in
Christ
101 children served
Houston, Texas

SERVING CHILDREN IN COMMUNITIES OF



WANT AND POVERTY ACROSS THE UNITED STATES

It breaks my heart to think that there are kids out there, ready to have their imaginations lit on fire, excited and wanting to read, and facing naked shelves in their school or local libraries.

Nathan Fillion, Co-founder

BOARD OF DIRECTORS 2009

Chairman

James Blasingame, Ph.D.
Associate Professor of English
Arizona State University

President and Executive Director

Denise Gary
President and Executive Director
Kids Need to Read

Chief Financial Officer

Debora Lynn Brown
Autism Intensive Support Program Teacher
Brier Elementary School

Secretary

Kristen M. Klein
Marketing Associate, Administrative Assistant
Lytham Partners, LLC

F. Diane Elhard
Owner, Office Manager
Howard's Brake and Front End Service

KaaVonia Hinton-Johnson, Ph.D.
Assistant Professor in Teaching & Learning
Old Dominion University

Debbie O'Neill
Controller
Nash Health Care Systems

ADVISORY COUNCIL 2009

PJ Haarsma
Author, Game Designer

Nathan Fillion
Actor

STAFF 2009

Denise Gary
President and Executive Director

VOLUNTEER STAFF 2009

Debbie Brown
Director of Development

Kazia Hodges
Webmaster

Marianne Luskey
Director of Marketing

Alicia Summers
Director of Graphic Communication

COMMITTEE MEMBERS 2009

Literature Advisory Committee
Faith Hochhalter, *Chairman*
Michelle Aron
Daanon DeCock
Denise Gary
Rebecca Palson

Donations Approval Committee
Denise Gary, *Chairman*
Paula Christie
Marty Dwyer
Helen Pritchard
Richelle Taylor

CORPORATE CONTRIBUTORS 2009

Actionopolis, LLC

Apatrou Photography

Arizona Browncoats

Austin Browncoats

Big Damn Fan Films

California Browncoats

Creation Entertainment

Fandom Charities, Inc.

Harry Potter Education Fanon, Inc.

Highlights For Children, Inc.

Margaret Weis Productions, Ltd.

New England Browncoats

North Carolina Browncoats

NoVA Browncoats Meetup Group

Quantum Mechanix, Inc.

Southeastern Browncoats

US Toner, Inc.

Whedonites United



Kids Need to Read 2010 Calendar Images

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KIDS NEED TO READ, INC.
COMPARATIVE SUMMARY OF FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2009

	Year Ended 12/31/2008	Year Ended 12/31/2009
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets:		
Cash	\$6,821	\$11,059
Pledges Receivable	\$0	\$0
Inventory - Books	0	172,729
Total Current Assets	<u>\$6,821</u>	<u>\$183,788</u>
Capital Assets - Net:		
Movable Equipment, Net of Accumulated Depreciation	0	0
Total Capital Asset, Net	<u>\$0</u>	<u>\$0</u>
Total Assets	<u><u>\$6,821</u></u>	<u><u>\$183,788</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$0	\$0
Other Liabilities	0	0
Total Liabilities	<u>\$0</u>	<u>\$0</u>
Net Assets		
Net Assets - Unrestricted	\$6,821	\$183,788
Total Net Assets	<u>\$6,821</u>	<u>\$183,788</u>
Total Liabilities and Net Assets	<u><u>\$6,821</u></u>	<u><u>\$183,788</u></u>
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS		
REVENUES		
Gifts and Contributions	\$3,631	\$35,400
Donated Books and Supplies	0	214,199
Fundraisers	14,530	11,440
Grant Income	0	250
Investment Income	0	0
Other Income	9,241	5,659
Total Revenues	<u>\$27,402</u>	<u>\$266,947</u>
EXPENSES		
Management and Administration:		
Salaries	\$924	\$11,715
Benefits	0	1,010
Professional Fees	750	25
Materials and Supplies	2,935	3,392
Purchased Services	536	326
Rent and Utilities	236	2,185
Insurance	0	1,400
Depreciation	0	0
Other	3,188	9,274
Total Management and Administration	<u>\$8,569</u>	<u>\$29,326</u>
Program Donations	12,188	51,989
Fundraising Expenses	1,764	8,666
Total Expenses	<u>\$22,521</u>	<u>\$89,980</u>
Increase (Decrease) in Net Assets	<u>\$4,881</u>	<u>\$176,967</u>
NET ASSETS		
Beginning of Year	1,940	6,821
End of Year	<u>\$6,821</u>	<u>\$183,788</u>

Form **990-EZ**

**Short Form
Return of Organization Exempt From Income Tax**

OMB No. 1545-1150

2009

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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.

A For the 2009 calendar year, or tax year beginning January 1, 2009, and ending December 31, 20 09

B Check if applicable:

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Kids Need to Read

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite

124 S 54th St **65**

City or town, state or country, and ZIP + 4

Mesa, AZ 85206

D Employer identification number

26-2755631

E Telephone number

480-227-3471

F Group Exemption Number ►

G Accounting Method: Cash Accrual
Other (specify) ►

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

• 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: ► www.kidsneedtoread.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 ► \$

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

		Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received	1	236,649			18	163,794
2	Program service revenue including government fees and contracts	2	0			19	19,994
3	Membership dues and assessments	3	0			20	0
4	Investment income	4	0			21	183,788
5a	Gross amount from sale of assets other than inventory	5a	0				
b	Less: cost or other basis and sales expenses	5b	0				
c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	0				
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 \$ <u>236,649</u> of contributions reported on line 1)	6a	17,098				
b	Less: direct expenses other than fundraising expenses	6b	8,317				
c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c	8,781				
7a	Gross sales of inventory, less returns and allowances	7a	0				
b	Less: cost of goods sold	7b	0				
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	0				
8	Other revenue (describe ► _____)	8	0				
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	245,430				
10	Grants and similar amounts paid (attach schedule)	10	51,989				
11	Benefits paid to or for members	11	0				
12	Salaries, other compensation, and employee benefits	12	12,725				
13	Professional fees and other payments to independent contractors	13	2,175				
14	Occupancy, rent, utilities, and maintenance	14	2,185				
15	Printing, publications, postage, and shipping	15	3,089				
16	Other expenses (describe ► <u>Materials and Supplies, Insurance, Fundraising exp, other</u>)	16	9,473				
17	Total expenses. Add lines 10 through 16	17	81,636				
18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	163,794				
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	19,994				
20	Other changes in net assets or fund balances (attach explanation)	20	0				
21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	183,788				

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	6,628	11,059
23	Land and buildings	0	0
24	Other assets (describe ► <u>Donated Auction Items, Books and Supplies</u>)	13,366	172,729
25	Total assets	19,994	183,788
26	Total liabilities (describe ► _____)	0	0
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	19,994	183,788

Part III Statement of Program Service Accomplishments (See the instructions for Part III.)		Expenses	
What is the organization's primary exempt purpose? Education Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.		(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)	
28	Kids Need to Read provides inspiring books to under-funded schools, libraries, and literacy programs across the United States, especially those serving disadvantaged children. The program supports literacy and social responsibility among our nation's youth. Persons Benefited: 15,209 (Grants \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	28a	51,989
29 (Grants \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	29a	
30 (Grants \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	30a	
31	Other program services (attach schedule) (Grants \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	31a	
32	Total program service expenses (add lines 28a through 31a) ▶	32	51,989

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

(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 & deferred compensation	(e) Expense account and other allowances
James Blasingame, 2248 W. Tanque Verde Dr. Chandler, AZ 85224	Chairman, 2	0	0	0
Diane Elhard, P.O. Box 74 Anderson, MO 64831	Director, 2	0	0	0
Deborah Wells O'Neill, 4025 Brassfield Dr. Rocky Mount, NC 27803	Director, 2	0	0	0
KaaVonja Hinton-Johnson, 700 Providence Road Chesapeake, VA 23325	Director, 2	0	0	0
Denise Gary, 124 S 54th St #65 Mesa, AZ 85206	Executive Director, 70	1,600p/m	0	0
Debora Brown, 107 164th St SE #2-302 Bothell, WA 98012	Development Dir,CFO,30	0	0	0
Kristen M. Klein, 10136 Leana Dr. Roscoe, IL 61073	Secretary, 10	0	0	0

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		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		✓
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	✓	
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?		✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?		✓
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		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a <u>0.00</u>		
b	Did the organization file Form 1120-POL for this year?		✓
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?		✓
b	If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9	39a	
b	Gross receipts, included on line 9, for public use of club facilities	39b	
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____		
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	
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 ▶ _____		
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ _____		
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	
41	List the states with which a copy of this return is filed. ▶ California, Arizona		
42a	The organization's books are in care of ▶ Debora L Brown Telephone no. ▶ 480-227-4578 Located at ▶ 1047 164th St Se #2302, Bothell, WA ZIP + 4 ▶ 98112		
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)?	42b	✓
	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 .		
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?	42c	✓
	If "Yes," enter the name of the foreign country: ▶ _____		
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44	✓
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	✓

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 | <input checked="" type="checkbox"/> |
| 47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | 47 | <input checked="" type="checkbox"/> |
| 48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | 48 | <input checked="" type="checkbox"/> |
| 49a Did the organization make any transfers to an exempt non-charitable related organization? | 49a | <input checked="" type="checkbox"/> |
| b If "Yes," was the related organization a section 527 organization? | 49b | <input checked="" type="checkbox"/> |
- 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 & deferred compensation	(e) Expense account and other allowances
None				

f Total number of other employees paid over \$100,000 **0**

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 **0**

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.

Sign Here

Signature of officer: Debora L Brown, CFO Date: _____

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ Preparer's identifying number (See instructions): _____

EIN: _____ Phone no.: _____

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

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 Kids Need to Read	Employer identification number 26 2755631
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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 a 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 33⅓% 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 33⅓% 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 to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III—Functionally integrated d Type III—Other
 - e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
 - f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
 - g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(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?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	
 - h Provide the following information about the supported organization(s).

(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									

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 any "unusual grants.")				\$17,061	\$236,649	\$253,710
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf				0	0	0
3 The value of services or facilities furnished by a governmental unit to the organization without charge				0	0	0
4 Total. Add lines 1 through 3				\$17,061	\$236,649	\$253,710
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.						\$253,710

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				\$17,061	\$236,649	\$253,710
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources				0	0	0
9 Net income from unrelated business activities, whether or not the business is regularly carried on				0	0	0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)				\$9,176	\$8,781	\$17,957
11 Total support. Add lines 7 through 10						\$271,667
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 checked="" 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 33⅓% support test—2009. If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33⅓% support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% 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"/>

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
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 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add 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**

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 line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

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

Part 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.

Items sold on eBay, Fundraisers

Dotted lines for supplemental information.

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

Employer identification number

[Kids Need to Read](#)

26

2755631

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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) and 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 its 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).

Name of organization
Kids Need to Read

Employer identification number
26 : 2755631

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Actionopolis Books, Pub Fulfillment 4181 E Winged Foot Pl Chandler, AZ 85249	\$141,967	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Margaret Weis Productions, LTD Lake Geneva, WI 53147	\$9,980	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	Highlights for Children 1800 Watermark Drive, PO Box 269 Columbus, OH 43216-0269	\$20,047	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	Austin Browncoats PO Box 203604 Austin, TX 78720	\$9,916	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	Fandom Charities, INC 5764 Chicopee Ave Encino, CA 91316	\$5005	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization
Kids Need to Read

Employer identification number
26 : 2755631

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
1	Books	\$ 141,967	10 / 08 / 2008
2	Books	\$ 9,980.00	10 / 17 / 2008
3	Childrens Magazines	\$ 20,047	7 / 27 / 2009

Name of organization
Kids Need to Read

Employer identification number
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Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

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

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

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

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

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Kids Need to Read
serves children in
communities of want
and poverty across
the United States.



Kids Need to Read

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