

## Return of Organization Exempt From Income Tax

2007

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service(77)

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

**A** For the 2007 calendar year, or tax year beginning , 2007, and ending

**B** Check if applicable:

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

**C** Please use IRS label or print or type. See specific instructions.

TOUCHSTONE YOUTH RESOURCE SERVICES, INC.  
P.O. BOX 159231  
NASHVILLE, TN 37215-9231

**D** Employer Identification Number  
62-1316818

**E** Telephone number  
615-386-0108

**F** Accounting method: ☐ Cash ☒ 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).

**G** Web site: ▶ WWW.TOUCHSTONEMINISTRIES.ORG

**J** Organization type (check only one) ▶ ☒ 501(c) 3 (insert no.) ☐ 4947(a)(1) or ☐ 527

**K** Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 119,617.

**H** and **I** are not applicable to section 527 organizations

**H** (a) Is this a group return for affiliates? . . . ☐ Yes ☒ No

**H** (b) If 'Yes,' enter number of affiliates ▶

**H** (c) Are all affiliates included? . . . ☐ Yes ☐ No  
(If 'No,' attach a list. See instructions.)

**H** (d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

**I** Group Exemption Number . . . ▶

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

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

REVENUE	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds . . . . .	1a		
	b	Direct public support (not included on line 1a) . . . . .	1b	107,623.	
	c	Indirect public support (not included on line 1a) . . . . .	1c		
	d	Government contributions (grants) (not included on line 1a) . . . . .	1d		
	e	Total (add lines 1a through 1d) (cash \$ 107,623. noncash \$ ) . . . . .	1e	107,623.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93) . . . . .	2	11,672.	
	3	Membership dues and assessments . . . . .	3		
	4	Interest on savings and temporary cash investments . . . . .	4	4.	
	5	Dividends and interest from securities . . . . .	5		
	6a	Gross rents . . . . .	6a		
	b	Less: rental expenses . . . . .	6b		
c	Net rental income or (loss). Subtract line 6b from line 6a . . . . .	6c			
7	Other investment income (describe . . . . . )	7			
EXPENSES	8a	Gross amount from sales of assets other than inventory . . . . .	(A) Securities	(B) Other	
	b	Less: cost or other basis and sales expenses . . . . .	8a		
	c	Gain or (loss) (attach schedule) . . . . .	8b		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B) . . . . .	8c		
	8d				
	9	Special events and activities (attach schedule). If any amount is from gaming, check here . . . <input type="checkbox"/>			
	a	Gross revenue (not including \$ of contributions reported on line 1b) . . . . .	9a		
	b	Less: direct expenses other than fundraising expenses . . . . .	9b		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a . . . . .	9c		
	10a	Gross sales of inventory, less returns and allowances . . . . .	10a	318.	
	b	Less: cost of goods sold . . . . .	10b	873.	
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a . . . . .	10c	STATEMENT 1	-555.
11	Other revenue (from Part VII, line 103) . . . . .	11			
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 . . . . .	12	118,744.		
ASSETS	13	Program services (from line 44, column (B)) . . . . .	13	77,259.	
	14	Management and general (from line 44, column (C)) . . . . .	14	17,427.	
	15	Fundraising (from line 44, column (D)) . . . . .	15	22,308.	
	16	Payments to affiliates (attach schedule) . . . . .	16		
	17	Total expenses. Add lines 16 and 44, column (A) . . . . .	17	116,994.	
	18	Excess or (deficit) for the year. Subtract line 17 from line 12 . . . . .	18	1,750.	
NET ASSETS	19	Net assets or fund balances at beginning of year (from line 73, column (A)) . . . . .	19	16,083.	
	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, 19, and 20 . . . . .	21	17,833.	

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
<b>23</b> Specific assistance to individuals (attach schedule)	23				
<b>24</b> Benefits paid to or for members (attach schedule)	24				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	65,188.	40,742.	9,779.	14,667.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	26	1,680.	1,680.		
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	27				
<b>28</b> Employee benefits not included on lines 25a - 27	28	4,799.	3,000.	720.	1,079.
<b>29</b> Payroll taxes	29	6,579.	4,145.	987.	1,447.
<b>30</b> Professional fundraising fees	30				
<b>31</b> Accounting fees	31	777.		777.	
<b>32</b> Legal fees	32				
<b>33</b> Supplies	33	2,487.	1,567.	373.	547.
<b>34</b> Telephone	34				
<b>35</b> Postage and shipping	35	934.	588.	140.	206.
<b>36</b> Occupancy	36	10,903.	6,869.	1,635.	2,399.
<b>37</b> Equipment rental and maintenance	37				
<b>38</b> Printing and publications	38	257.	162.	39.	56.
<b>39</b> Travel	39	10,329.	10,329.		
<b>40</b> Conferences, conventions, and meetings	40	10.	10.		
<b>41</b> Interest	41				
<b>42</b> Depreciation, depletion, etc (attach schedule)	42	3,502.	2,972.	215.	315.
<b>43</b> Other expenses not covered above (itemize):					
a SEE STATEMENT 2	43a	9,549.	5,195.	2,762.	1,592.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	116,994.	77,259.	17,427.	22,308.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments** (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? **MUSIC MINISTRY/COUNSELING**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)

a SEE STATEMENT 3

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(Grants and allocations \$ ) If this amount includes foreign grants, check here ☐

77,259.

b

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(Grants and allocations \$ ) If this amount includes foreign grants, check here ☐

c

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(Grants and allocations \$ ) If this amount includes foreign grants, check here ☐

d

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-----  
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(Grants and allocations \$ ) If this amount includes foreign grants, check here ☐

e Other program services

(Grants and allocations \$ ) If this amount includes foreign grants, check here ☐

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ☐

77,259.

BAA

Form 990 (2007)

**Part IV Balance Sheets** (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
45	Cash — non-interest-bearing .....	3,269.	45	7,351.
46	Savings and temporary cash investments .....		46	
47 a	Accounts receivable .....			
	b Less: allowance for doubtful accounts .....		47 c	
48 a	Pledges receivable .....			
	b Less: allowance for doubtful accounts .....		48 c	
49	Grants receivable .....		49	
50 a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule) .....	693.	50 a	727.
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) .....		50 b	
51 a	Other notes and loans receivable (attach schedule) .....			
	b Less: allowance for doubtful accounts .....		51 c	
52	Inventories for sale or use .....	5,322.	52	6,072.
53	Prepaid expenses and deferred charges .....		53	
54 a	Investments — publicly-traded securities .....		54 a	
	b Investments — other securities (attach sch.) .....		54 b	
55 a	Investments — land, buildings, & equipment: basis .....			
	b Less: accumulated depreciation (attach schedule) .....		55 c	
56	Investments — other (attach schedule) .....		56	
57 a	Land, buildings, and equipment: basis .....	20,700.		
	b Less: accumulated depreciation (attach schedule) .....	18,543.	57 c	2,157.
58	Other assets, including program-related investments (describe ► <u>SEE STATEMENT 5</u> ) .....	7,245.	58	5,176.
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....	18,463.	59	21,483.
60	Accounts payable and accrued expenses .....	2,380.	60	2,338.
61	Grants payable .....		61	
62	Deferred revenue .....		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule) .....		63	
64 a	Tax-exempt bond liabilities (attach schedule) .....		64 a	
	b Mortgages and other notes payable (attach schedule) .....		64 b	
65	Other liabilities (describe ► <u>SEE STATEMENT 6</u> ) .....		65	1,312.
66	<b>Total liabilities.</b> Add lines 60 through 65 .....	2,380.	66	3,650.
<b>Organizations that follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted .....		67	
68	Temporarily restricted .....		68	
69	Permanently restricted .....		69	
<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 70 through 74.				
70	Capital stock, trust principal, or current funds .....		70	
71	Paid-in or capital surplus, or land, building, and equipment fund .....		71	
72	Retained earnings, endowment, accumulated income, or other funds .....	16,083.	72	17,833.
73	<b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21) .....	16,083.	73	17,833.
74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....	18,463.	74	21,483.

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Form 990 (2007)

**Part IV-A** Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements.....	a	N/A
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments.....	b1	
	2 Donated services and use of facilities.....	b2	
	3 Recoveries of prior year grants.....	b3	
	4 Other (specify): .....	b4	
	Add lines b1 through b4.....	b	
c	Subtract line b from line a.....	c	
d	Amounts included on Part I, line 12, but not on line a:		
	1 Investment expenses not included on Part I, line 6b.....	d1	
	2 Other (specify): .....	d2	
	Add lines d1 and d2.....	d	
e	Total revenue (Part I, line 12). Add lines c and d.....	e	

**Part IV-B** Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements.....	a	N/A
b	Amounts included on line a but not on Part I, line 17:		
	1 Donated services and use of facilities.....	b1	
	2 Prior year adjustments reported on Part I, line 20.....	b2	
	3 Losses reported on Part I, line 20.....	b3	
	4 Other (specify): .....	b4	
	Add lines b1 through b4.....	b	
c	Subtract line b from line a.....	c	
d	Amounts included on Part I, line 17, but not on line a:		
	1 Investment expenses not included on Part I, line 6b.....	d1	
	2 Other (specify): .....	d2	
	Add lines d1 and d2.....	d	
e	Total expenses (Part I, line 17). Add lines c and d.....	e	

**Part V-A** Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(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 plans	(E) Expense account and other allowances
JIM WEBER 946 BATTLEFIELD DRIVE NASHVILLE, TN 37204	EXECUTIVE DIREC 40.00	33,437.	0.	0.
MELONY PUGH-WEBER 946 BATTLEFIELD DRIVE NASHVILLE, TN 37204	SECRETARY 40.00	31,751.	0.	0.
LINDSEY WILLIAMS 1657 WILDLIFE TRAIL KINGSTON SPRINGS, TN 37082	DIRECTOR 0	0.	0.	0.
GREG SENEFF 2905 SELENA DR NASHVILLE, TN 37211	DIRECTOR 0	0.	0.	0.
JEFF LARGE 3113 WINDEMERE CIRCLE NASHVILLE, TN 37214	DIRECTOR 0	0.	0.	0.

Yes	No
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► 5

75b	X
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75c	X
-----	---

75d	X
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**Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]

	Yes	No
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76	X
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77		X
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78a	X
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78b	N/A
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79		X
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80 a	X
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and check whether it is ☐ exempt or ☐ nonexempt.

81 a	0
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81 b	X
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Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82 b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85 a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	N/A
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	85 c	N/A
d	Section 162(e) lobbying and political expenditures	85 d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88 a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI	88 b	X
89 a	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	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, 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?	89 e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89 f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89 g	X
90 a	List the states with which a copy of this return is filed ▶ NONE		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90 b	0
91 a	The books are in care of ▶ JIM WEBER Telephone number ▶ 615-386-0108 Located at ▶ 946 BATTLEFIELD NASHVILLE TN ZIP + 4 ▶ 37204		
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	91 b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

**Part VI Other Information (continued)**

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91 c ☐ Yes ☒ No

If 'Yes,' enter the name of the foreign country: ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A ☐

and enter the amount of tax-exempt interest received or accrued during the tax year: ▶ 92 N/A

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a COUNSELING					10,432.
b HONORARIA					1,240.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	4.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					-555.
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				4.	11,117.
105 Total (add line 104, columns (B), (D), and (E))					11,121.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

SEE STATEMENT 8

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A)	(B)	(C)	(D)	(E)
Name, address, and EIN of corporation, partnership, or disregarded entity	Percentage of ownership interest	Nature of activities	Total income	End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ Nob Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

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.

Please  
Sign  
Here

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title: \_\_\_\_\_

Paid  
Pre-  
parer's  
Use  
Only

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_

Check if self-employed ☐ Preparer's SSN or PTIN (See General Instruction X) P00548652

Firm's name (or yours if self-employed), address, and ZIP + 4 HIGGINBOTHAM CPA GROUP, PC  
5105 MARYLAND WAY STE 201  
BRENTWOOD, TN 37027-7553

EIN 26-1740643

Phone no. (615) 377-3123

BAA

Form 990 (2007)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under  
Section 501(c)(3)**

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

**TOUCHSTONE YOUTH RESOURCE SERVICES, INC.**

Employer identification number

**62-1316818**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(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				
Total number of other employees paid over \$50,000 ▶		0		

**Part II — A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		0

**Part II — B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶		0

**Part III** Statements About Activities (See instructions.)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . \$ N/A  
(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) . . . . .

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

## SEE STATEMENT 9

- a Sale, exchange, or leasing of property? . . . . .

2a X

- b Lending of money or other extension of credit? . . . . .

2b X

- c Furnishing of goods, services, or facilities? . . . . .

2c X

## SEE FORM 990, PART V

- d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .

2d X

- e Transfer of any part of its income or assets? . . . . .

2e X

- 3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . .

3a X

- b Did the organization have a section 403(b) annuity plan for its employees? . . . . .

3b X

- c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement . . . . .

3c X

- d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .

3d X

- 4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g . . . . .

4a X

- b Did the organization make any taxable distributions under section 4966? . . . . .

4b N/A

- c Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .

4c N/A

- d Enter the total number of donor advised funds owned at the end of the tax year . . . . . N/A

- e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . . . . N/A

- f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts . . . . . 0

- g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . . . 0.

**Part IV Reason for Non-Private Foundation Status** (See instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ►  
☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

**Provide the following information about the supported organizations.** (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					0.

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

BAA

Schedule A (Form 990 or 990-EZ) 2007

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) .....	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) .....	78,703.	62,441.	35,200.	35,431.	211,775.
<b>16</b> Membership fees received .....					0.
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose .....	16,106.	27,776.	32,741.	34,945.	111,568.
<b>18</b> Gross income from interest, dividends, ams rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975 .....					0.
<b>19</b> Net income from unrelated business activities not included in line 18. ....					0.
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf .....					0.
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge .....					0.
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets .....					0.
<b>23</b> Total of lines 15 through 22 .....	94,809.	90,217.	67,941.	70,376.	323,343.
<b>24</b> Line 23 minus line 17 .....	78,703.	62,441.	35,200.	35,431.	211,775.
<b>25</b> Enter 1% of line 23 .....	948.	902.	679.	704.	
<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24 .....					26a 4,236.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts .....					26b 112,900.
c Total support for section 509(a)(1) test: Enter line 24, column (e) .....					26c 211,775.
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b 112,900.					26d 112,900.
e Public support (line 26c minus line 26d total) .....					26e 98,875.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) .....					26f 46.69 %
<b>27 Organizations described on line 12:</b> N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total _____ and line 27b total .....					27d _____
e Public support (line 27c total minus line 27d total) .....					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ...					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) .....					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) .....					27h %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See instructions.)  
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31		
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----				
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d		
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----				
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges? .....	33a		
b	Admissions policies? .....	33b		
c	Employment of faculty or administrative staff? .....	33c		
d	Scholarships or other financial assistance? .....	33d		
e	Educational policies? .....	33e		
f	Use of facilities? .....	33f		
g	Athletic programs? .....	33g		
h	Other extracurricular activities? .....	33h		
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----				
34a	Does the organization receive any financial aid or assistance from a governmental agency? .....	34a		
b	Has the organization's right to such aid ever been revoked or suspended? .....	34b		
If you answered 'Yes' to either 34a or b, please explain using an attached statement.				
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.....	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions.)  
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ a ☐ if the organization belongs to an affiliated group. Check ☐ b ☐ if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	37	
38	Total lobbying expenditures (add lines 36 and 37) .....	38	
39	Other exempt purpose expenditures .....	39	
40	Total exempt purpose expenditures (add lines 38 and 39) .....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table — If the amount on line 40 is —      The lobbying nontaxable amount is — Not over \$500,000 ..... 20% of the amount on line 40 ..... Over \$500,000 but not over \$1,000,000 ..... \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 ..... \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 ..... \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 ..... \$1,000,000 .....	41	
42	Grassroots nontaxable amount (enter 25% of line 41) .....	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
See the instructions for lines 45 through 50.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount .....					
46 Lobbying ceiling amount (150% of line 45(e)) .....					
47 Total lobbying expenditures .....					
48 Grassroots non-taxable amount .....					
49 Grassroots ceiling amount (150% of line 48(e)) .....					
50 Grassroots lobbying expenditures .....					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers .....			
b Paid staff or management (Include compensation in expenses reported on lines c through h.) .....			
c Media advertisements .....			
d Mailings to members, legislators, or the public .....			
e Publications, or published or broadcast statements .....			
f Grants to other organizations for lobbying purposes .....			
g Direct contact with legislators, their staffs, government officials, or a legislative body .....			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....			
i Total lobbying expenditures (add lines c through h.) .....			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.





TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

**STATEMENT 1**  
**FORM 990, PART I, LINE 10**  
**GROSS PROFIT (LOSS) FROM SALES OF INVENTORY**

GROSS RECEIPTS .....	\$	318.
GROSS SALES .....	\$	318.
LESS RETURNS & ALLOWANCES .....		0.
NET SALES .....	\$	318.
LESS COST OF GOODS SOLD .....		873.
GROSS PROFIT FROM SALES OF INVENTORY .....	\$	-555.

**STATEMENT 2**  
**FORM 990, PART II, LINE 43**  
**OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
BANK & FINANCE CHARGES	759.		759.	
CAMP SUPPLIES	272.	272.		
CONTRACT LABOR	100.	100.		
LIABILITY INSURANCE	742.		742.	
LICENSES & FEES	195.		195.	
MEALS & ENTERTAINMENT	5,254.	3,284.	788.	1,182.
MISCELLANEOUS	106.	66.	16.	24.
PROFESSIONAL FEES	1,634.	1,029.	245.	360.
REPAIRS & MAINTENANCE	116.	73.	17.	26.
SHIRT OFF YOUR BACK	371.	371.		
TOTAL	\$ 9,549.	\$ 5,195.	\$ 2,762.	\$ 1,592.

**STATEMENT 3**  
**FORM 990, PART III, LINE A**  
**STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS**

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
TO PROVIDE PASTORAL COUNSELING AND ONE-ON-ONE SUPPORT TO YOUTH IN NASHVILLE AND AT VARIOUS CHURCH EVENTS.		
33 INDIVIDUALS WERE COUNSELED. 160 STUDENTS WERE COUNSELED THROUGH PARTICIPATION IN CHARACTER EDUCATION PROGRAM AT STRATFORD HIGH SCHOOL. AS PART OF THE PROGRAM, STUDENTS TOOK TWO TRIPS IN 2007 TO HELP WITH HURRICANE KATRINA RELIEF.		73,396.
INCLUDES FOREIGN GRANTS: NO		
TO SPEAK, TEACH, AND PERFORM WHOLESOME CONTEMPORARY CHRISTIAN MUSIC IN CHURCH AND NON-CHURCH SETTINGS, WITH THE PURPOSE OF EVANGELISM, ENCOURAGEMENT, & CHALLENGE TO YOUTH FOR FURTHER COMMITMENT. PARTICIPATED IN 3 SPEAKING & MUSIC MINISTRY ENGAGEMENTS DURING 2007.		3,863.
INCLUDES FOREIGN GRANTS: NO		
	\$ 0.	\$ 77,259.

TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

**STATEMENT 4**  
**FORM 990, PART IV, LINE 57**  
**LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 2,795.	\$ 2,236.	\$ 559.
MACHINERY AND EQUIPMENT	17,233.	15,890.	1,343.
MISCELLANEOUS	672.	417.	255.
<b>TOTAL</b>	<b>\$ 20,700.</b>	<b>\$ 18,543.</b>	<b>\$ 2,157.</b>

**STATEMENT 5**  
**FORM 990, PART IV, LINE 58**  
**OTHER ASSETS**

NET INTANGIBLE ASSETS.....	5,175.
ROUNDING.....	1.
<b>TOTAL</b>	<b>\$ 5,176.</b>

**STATEMENT 6**  
**FORM 990, PART IV, LINE 65**  
**OTHER LIABILITIES**

PAYROLL TAX WITHHELD.....	\$ 1,312.
<b>TOTAL</b>	<b>\$ 1,312.</b>

**STATEMENT 7**  
**FORM 990, PART V-A, LINE 75B**  
**COMPENSATION PAID TO RELATED INDIVIDUALS**

**NAME AND RELATIONSHIP**

JIM WEBER  
 MARRIED TO MELONY PUGH-WEBER, SECRETARY & EMPLOYEE.

MELONY PUGH-WEBER  
 MARRIED TO JIM WEBER, EXECUTIVE DIRECTOR & EMPLOYEE.

**STATEMENT 8**  
**FORM 990, PART VIII**  
**RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES**

LINE #	EXPLANATION OF ACTIVITIES
93A	COUNSELING FEES FOR SERVICES THAT ARE A CRUCIAL PART OF THE MINISTRY'S PROGRAM SERVICES.
102	SALE OF TAPES AND CDS TO YOUTHS WHO ARE PARTICIPATING IN EVENTS REINFORCE THE MESSAGE AND ENCOURAGE YOUTH IN DEALING WITH PROBLEMS DAY-TO-DAY.

TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

## STATEMENT 8 (CONTINUED)

FORM 990, PART VIII

## RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

<u>LINE #</u>	<u>EXPLANATION OF ACTIVITIES</u>
93B	HONORARIA FEES FOR CONCERTS/SPEAKING ENGAGEMENTS THAT ARE A CRUCIAL PART OF THE MINISTRY'S PROGRAM SERVICES.

## STATEMENT 9

SCHEDULE A, PART III, LINE 2

## TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.

ORGANIZATION RENTS OFFICE SPACE IN THE HOME OF OFFICERS & EMPLOYEES, JIM & MELONY WEBER. MONTHLY RENT OF \$ 1000 WAS DETERMINED USING COMPARABLE FAIR RENTAL VALUES IN THE AREA.

12/31/07

## 2007 FEDERAL BOOK DEPRECIATION SCHEDULE

PAGE 1

TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
AMORTIZATION																
52	CIVIL VIDEO	6/30/05		10,350							10,350	3,105	S/L	5		2,070
	TOTAL AMORTIZATION			10,350		0	0	0	0	0	10,350	3,105				2,070
FURNITURE AND FIXTURES																
1	DESK	8/01/87		221							221	221	S/L	7		0
7	OFFICE FURNITURE	7/01/94		1,434							1,434	1,434	S/L	7		0
15	MISC FURN	6/01/95		57							57	57	S/L	7		0
29	SOFA	8/13/99		430							430	430	S/L	7		0
56	2 ROLLING CABINETS	10/28/07		653							653		200DB HY	7	.14290	93
	TOTAL FURNITURE AND FIXTURE			2,795		0	0	0	0	0	2,795	2,142				93
MACHINERY AND EQUIPMENT																
2	PHONE	6/06/88		130							130	130	S/L	7		0
3	GUITAR CASE & LUGGAGE	8/01/88		210							210	210	S/L	7		0
4	MISC EQ	7/01/90		749							749	749	S/L	7		0
5	FAX MACHINE	9/30/91		429							429	429	S/L	5		0
6	LUGGAGE	7/01/93		159							159	159	S/L	5		0
8	LUGGAGE	7/01/94		162							162	162	S/L	5		0
9	TUNER	7/01/94		125							125	125	S/L	5		0
10	MUSIC EQ	7/01/94		167							167	167	S/L	5		0
16	850 MG HD	10/17/95		230							230	230	S/L	5		0
18	VIDEO MONITOR	1/16/96		240							240	240	S/L	7		0

12/31/07

## 2007 FEDERAL BOOK DEPRECIATION SCHEDULE

PAGE 2

TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
19	LAPTOP COMPUTER	5/23/96		2,766							2,766	2,766	S/L	5		0
20	COMPUTER ACCESSORIES	5/24/96		100							100	100	S/L	5		0
21	MISC EQUIP	6/08/96		128							128	128	S/L	5		0
22	MOTHER BOARD	7/24/96		123							123	123	S/L	5		0
23	PRINTER	4/21/97		152							152	152	S/L	5		0
24	SCANNER	7/10/97		189							189	189	S/L	5		0
25	MISC EQUIPMENT	8/25/97		104							104	104	S/L	5		0
26	COMPUTER DRIVE	8/27/97		325							325	325	S/L	5		0
27	COMPUTER EQUIP	9/22/97		143							143	143	S/L	5		0
28	SCANNER	6/19/97		166							166	166	S/L	5		0
30	COMPUTER/MONITOR	9/14/98		887							887	887	S/L	5		0
32	CDR DRIVE	3/29/00		180							180	180	S/L	5		0
33	MIC MIXER	4/11/00		90							90	88	S/L	7		2
34	MIXER	8/28/00		275							275	247	S/L	7		28
35	MIC STAND	9/02/00		50							50	44	S/L	7		6
36	TUBE MIC	9/07/00		600							600	545	S/L	7		55
37	MIC & COMPRESSOR	11/20/00		367							367	316	S/L	7		51
38	YAMAHA E GUITAR	8/01/01		221							221	176	S/L HY	7	.14290	32
39	PEAVY GUITAR AMP	8/03/01		95							95	77	S/L HY	7	.14290	14
40	J-STATION	10/03/01		177							177	138	S/L HY	7	.14290	25
41	HARD DRIVE	4/29/02		268							268	253	200DB HY	5	.05760	15
42	USB AUDIO INTERFACE	9/25/02		270							270	254	200DB HY	5	.05760	16
43	COMPAQ COMPUTER	9/25/02		864							864	815	200DB HY	5	.05760	49
45	CD DUPLICATOR	5/30/03		1,431							1,431	1,184	200DB HY	5	.11520	165
46	HP PAVILION 5300 NOTEBOOK	6/20/03		1,705							1,705	1,410	200DB HY	5	.11520	196
47	DIGITAL CAMERA & ACCESSOR	8/21/03		492							492	406	200DB HY	5	.11520	57
48	GUITAR AMP	7/26/04		303							303	170	200DB HY	7	.12490	38

12/31/07

## 2007 FEDERAL BOOK DEPRECIATION SCHEDULE

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TOUCHSTONE YOUTH RESOURCE SERVICES, INC.

62-1316818

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
49	MP3 PLAYER	7/26/04		260							260	185	200DB HY	5	.11520	30
50	ELEC EXPR EQUIP	6/21/05		490							490	255	200DB HY	5	.19200	94
51	COMPUTER	7/29/05		450							450	234	200DB HY	5	.19200	86
53	HARD DRIVES	12/15/06		340							340	17	200DB MQ	5	.38000	129
55	COMPUTER	3/16/07		618							618		200DB HY	5	.20000	124
TOTAL MACHINERY AND EQUIPME				17,230		0	0	0	0	0	17,230	14,678				1,212
MISCELLANEOUS																
17	SOFTWARE OFFICE PRO	11/20/95		290							290	290	S/L	3		0
54	QB SOFTWARE	1/18/07		382							382		200DB HY	3	.33330	127
TOTAL MISCELLANEOUS				672		0	0	0	0	0	672	290				127
TOTAL DEPRECIATION				20,697		0	0	0	0	0	20,697	17,110				1,432

FORM 990/990-PF, COGS

## AMORTIZATION

11	MASTERS	7/01/89		10,185							10,185	10,185	S/L	5		0
12	MASTERS	7/01/93		3,421							3,421	3,421	S/L	5		0
13	MASTERS	7/01/94		4,900							4,900	4,900	S/L	5		0
14	MASTERS	7/01/94		9,166							9,166	9,166	S/L	5		0
31	MASTERS	4/01/98		4,639							4,639	4,639	S/L	5		0
44	MANY MOUNTAINS ALBUM MAST	4/29/02		4,355							4,355	4,355	S/L	3		0
TOTAL AMORTIZATION				36,666		0	0	0	0	0	36,666	36,666				0