NASHBAL

CHANGE IN ACCOUNTING PERIOD

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2003

Open to Public Inspection

A For the 2003 calendar year, or tax year beginning 8/01/03 **, and ending** 5/31/04

B Check if applicable:
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Final return
- [x] Amended return
- [ ] Application pending

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

C Name of organization: NASHVILLE CITY BALLET

Number and street (or P.O. box if mail is not delivered to street address) / Room/suite: 3630 REDMON STREET

City or town, state or country, and ZIP + 4: NASHVILLE TN 37209

D Employer ID number 58-1440788

E Telephone number 615-297-2966

F Accounting method: [ ] Cash [X] 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).**

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

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

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

H(c) Are all affiliates included? [ ] Yes [ ] No (If "No," att. a list. See instr.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

I Group Exemption Number ▶

M Check ▶ [ ] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: ▶ WWW.NASHVILLEBALLET.COM

J Organization type (check only one) ▶ [X] 501(c) (3) ◂ (insert no.) [ ] 4947(a)(1) or [ ] 527

K Check here ▶ [ ] if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 2,496,249

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	1,422,761		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	206,500		
	d	**Total** (add lines 1a through 1c) (cash $ 1,629,261 noncash $)			1d	1,629,261
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	803,735
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	9,224
	5	Dividends and interest from securities			5	6,179
	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	
	8a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other:	8a			
	b	Less: cost or other basis and sales expenses — (A): ; (B): 15,689	8b			
	c	Gain or (loss) (attach schedule) — (A): ; (B): -15,689	8c			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B)) SEE STMT 1			8d	-15,689
	9	Special events and activities (attach schedule). If any amount is from **gaming,** check here ▶ [ ]				
	a	Gross revenue (not including $ of contributions reported on line 1a)	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			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	47,850
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	2,480,560
Expenses	13	Program services (from line 44, column (B))			13	1,634,339
	14	Management and general (from line 44, column (C))			14	260,196
	15	Fundraising (from line 44, column (D))			15	137,477
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses** (add lines 16 and 44, column (A))			17	2,032,012
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	448,548
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	1,676,157
	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	2,124,705

For Paperwork Reduction Act Notice, see the separate instructions.

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 page 22 of the 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
22 Grants and allocations (attach schedule) (cash $ non-cash $)	22				
23 Specific assistance to individuals	23				
24 Benefits paid to or for members	24				
25 Compensation of officers, directors, etc.	25				
26 Other salaries and wages	26	786,141	593,301	154,233	38,607
27 Pension plan contributions	27				
28 Other employee benefits	28	62,577	54,135	6,752	1,690
29 Payroll taxes	29	89,119	59,896	23,373	5,850
30 Professional fundraising fees	30	53,978			53,978
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	64,185	40,912	7,218	16,055
34 Telephone	34	52,080	40,016	10,004	2,060
35 Postage and shipping	35				
36 Occupancy	36	60,784	45,588	12,157	3,039
37 Equipment rental and maintenance	37	17,045	3,409	12,784	852
38 Printing and publications	38	72,345	72,345		
39 Travel	39	35,642	35,272		370
40 Conferences, conventions, and meetings	40				
41 Interest	41	36,408	27,306	7,282	1,820
42 Depreciation, depletion, etc. (attach schedule)	42	97,224	72,918	19,445	4,861
43 Other expenses not covered above (itemize): a	43a				
b SEE STATEMENT 2	43b	604,484	589,241	6,948	8,295
c	43c				
d	43d				
e	43e				
44 **Total functional expenses** (add lines 22 - 43). **Organizations completing columns (B)-(D), carry these totals to lines 13-15**	44	2,032,012	1,634,339	260,196	137,477

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 page 25 of the instructions.)

What is the organization's primary exempt purpose?
▶ SEE STATEMENT 3

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) & (4) orgs., & 4947(a)(1) trusts; but optional for others.)
a	SEE STATEMENT 4 (Grants and allocations $)	1,634,339
b	(Grants and allocations $)	
c	(Grants and allocations $)	
d	(Grants and allocations $)	
e	Other program services (attach schedule) (Grants and allocations $)	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	1,634,339

Part IV Balance Sheets (See page 25 of 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
Assets					
45 Cash-non-interest-bearing			309,088	45	476,116
46 Savings and temporary cash investments				46	
47a Accounts receivable	47a	47,372			
b Less: allowance for doubtful accounts	47b		28,142	47c	47,372
48a Pledges receivable	48a	645,547			
b Less: allowance for doubtful accounts	48b	15,000	668,200	48c	630,547
49 Grants receivable				49	
50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
51a Other notes and loans receivable (attach schedule)	51a				
b Less: allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use			8,472	52	12,105
53 Prepaid expenses and deferred charges			36,457	53	13,768
54 Investments-securities SEE STMT 5 ▶ ☐ Cost ☒ FMV				54	61,179
55a Investments-land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b			55c	
56 Investments-other (attach schedule)				56	
57a Land, buildings, and equipment: basis	57a	2,721,508			
b Less: accumulated depreciation (attach schedule) SEE STMT 6	57b	899,178	1,871,099	57c	1,822,330
58 Other assets (describe ▶ SEE STMT 7)			20,996	58	18,196
59 **Total assets** (add lines 45 through 58) (must equal line 74)			2,942,454	59	3,081,613
Liabilities					
60 Accounts payable and accrued expenses			157,800	60	145,257
61 Grants payable				61	
62 Deferred revenue SEE STMT 8			9,795	62	182,651
63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
64a Tax-exempt bond liabilities (attach schedule)				64a	
b Mortgages and other notes payable (attach schedule) SEE WORKSHEET			1,098,702	64b	629,000
65 Other liabilities (describe ▶)				65	
66 **Total liabilities** (add lines 60 through 65)			1,266,297	66	956,908
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ ☒ and complete lines 67 through 69 and lines 73 and 74.					
67 Unrestricted			937,957	67	1,432,979
68 Temporarily restricted			738,200	68	630,547
69 Permanently restricted				69	61,179
Organizations that do not follow SFAS 117, check here ▶ ☐ 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				72	
73 **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21)			1,676,157	73	2,124,705
74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			2,942,454	74	3,081,613

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	2,529,725
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments $		
(2)	Donated services and use of facilities $ 33,476		
(3)	Recoveries of prior year grants $		
(4)	Other (specify): SEE STMT 9 $ 15,689		
	Add amounts on lines (1) through (4)	b	49,165
c	Line a minus line b	c	2,480,560
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify): $		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	2,480,560

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

a	Total expenses and losses per audited financial statements	a	2,081,177
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities $ 33,476		
(2)	Prior year adjustments reported on line 20, Form 990 $		
(3)	Losses reported on line 20, Form 990 $		
(4)	Other (specify): SEE STMT 10 $ 15,689		
	Add amounts on lines (1) through (4)	b	49,165
c	Line a minus line b	c	2,032,012
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify): $		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	2,032,012

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contrib. to employee benefit plans & deferred compensation	(E) Expense account and other allowances
PAUL KAINE	EXECUTIVE DI	61,250	0	0
PAUL VASTERLING	ARTISTIC DIR	50,000	0	0
SEE ATTACHED		0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ☐ Yes ☒ No
If "Yes," attach schedule-see page 28 of the instructions.

Part VI Other Information (See page 28 of the instructions.)

					Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity			76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.			77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?			78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?			80a		X
b	If "Yes," enter the name of the organization ▶ and check whether it is ☐ exempt **or** ☐ nonexempt.					
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a				
b	Did the organization file **Form 1120-POL** for this year?			81b		X
82a	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?			82a	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.)	82b	33,476			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?			83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?			83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?			84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A	84b		
85	501(c)(4), (5), or (6) organizations. **a** Were substantially all dues nondeductible by members?		N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?		N/A	85b		
	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	85c				
d	Section 162(e) lobbying and political expenditures	85d				
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e				
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f				
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A	85g		
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?		N/A	85h		
86	501(c)(7) orgs. Enter: **a** Initiation fees and capital contributions included on line 12	86a				
b	Gross receipts, included on line 12, for public use of club facilities	86b				
87	501(c)(12) orgs. Enter: **a** Gross income from members or shareholders	87a				
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b				
88	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		X
89a	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) orgs. 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			89b		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			

90a 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, 2003 (See instructions.) 90b 50

91 The books are in care of ▶ PAUL KAINE Telephone no. ▶ 615-297-2966

Located at ▶ 3620 REDMON STREET NASHVILLE, TN ZIP + 4 ▶ 37209-4827

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

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

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income (A) Business code	Unrelated business income (B) Amount	Excluded by sec. 512, 513, or 514 (C) Exclusion code	Excluded by sec. 512, 513, or 514 (D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a TICKET SALES					535,222
b SCHOOLS & WORKSHOPS					257,538
c TOUR FEES					10,975
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	9,224	
96 Dividends and interest from securities			14	6,179	
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 personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					-15,689
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b MISCELLANEOUS					47,850
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		15,403	835,896

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 851,299

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of 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).
	ALL REVENUE IS GENERATED TO COVER COSTS INCURRED BY PRODUCTIONS.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) 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).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer | Date

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN (See Gen. Instr. W) P00156471

Firm's name (or yours if self-employed), address, and ZIP + 4: BLANKENSHIP CPA GROUP, PLLC, 109 WESTPARK DRIVE, SUITE 430, BRENTWOOD, TN 37027-5032

EIN ▶ 45-0491842

Phone no. ▶ 615-373-3771

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 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**

OMB No. 1545-0047

2003

Name of the organization	Employer identification number
NASHVILLE CITY BALLET	58-1440788

Part I **Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the 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 ben. plans & deferred compensation	**(e)** Expense account and other allowances
NONE				
Total number of other employees paid over $50,000 ▶				

Part II **Compensation of the Five Highest Paid Independent Contractors for Professional Services**
(See page 2 of the 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 ▶		

Part III Statements About Activities (See page 2 of the 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 ▶ $ ______ (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.)			
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
d	Payment of compensation (or payment or reimbursement of expiration if more than $1,000)? SEE PART V, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) SEE STMT 11	3a	X	
3b	Do you have a section 403(b) annuity plan for your employees?	3b		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

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.)

11a ☒ 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.)

11b ☐ 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 supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	**(b)** Line number from above

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,493,225	1,936,578	1,519,522	858,211	5,807,536
16 Membership fees received					0
17 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	904,396	891,585	850,497	751,451	3,397,929
18 Gross income from interest, dividends, amounts received from payment on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	5,090	646	2,119	3,308	11,163
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefits and either paid to it or expended on its behalf					0
21 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
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets STMT 12	51,145	39,312	37,343	38,098	165,898
23 Total of lines 15 through 22	2,453,856	2,868,121	2,409,481	1,651,068	9,382,526
24 Line 23 minus line 17	1,549,460	1,976,536	1,558,984	899,617	5,984,597
25 Enter 1% of line 23	24,539	28,681	24,095	16,511	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 119,692

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 1999 through 2002 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 196,630

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 5,984,597

d Add: Amounts from column (e) for lines: 18 11,163 19 ______ 22 165,898 26b 196,630 ▶ 26d 373,691

e Public support (line 26c minus line 26d total) ▶ 26e 5,610,906

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 93.7558 %

27 **Organizations described on line 12:** 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: N/A

(2002) .... (2001) .... (2000) .... (1999) ....

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 11, 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: N/A

(2002) .... (2001) .... (2000) .... (1999) ....

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 on 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 1999 through 2002, 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 page 7 of the 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 page 9 of the 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-	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		

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

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 on page 11 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2003	**(b)** 2002	**(c)** 2001	**(d)** 2000	**(e)** Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable 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 page 12 of the 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.

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:			
(i)	Cash	51a(i)		X
(ii)	Other assets	a(ii)		X
b	Other transactions:			
(i)	Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii)	Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii)	Rental of facilities, equipment, or other assets	b(iii)		X
(iv)	Reimbursement arrangements	b(iv)		X
(v)	Loans or loan guarantees	b(v)		X
(vi)	Performance of services or membership or fundraising solicitations	b(vi)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Forms **990 / 990-PF**

Mortgages and Other Notes Payable

2003

For calendar year 2003, or tax year beginning 8/01/03 , and ending 5/31/04

Name	Employer Identification Number
NASHVILLE CITY BALLET	58-1440788

FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION

	Name of lender	Relationship to disqualified person
(1)	REGIONS BANK	
(2)	ROBERT E. CLEMENTS	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)	1,079,000	7/07/03	7/07/04	BALLOON AT MATURITY	4.000
(2)	66,000	12/06/01	12/07/03	24 MOS.$2,282;PLUS BALLOON	9.500
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

	Security provided by borrower	Purpose of loan
(1)	REAL ESTATE	BUILDING PURCHASE
(2)	NONE	OPERATING CAPITAL
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)		1,079,000	629,000
(2)		19,702	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals		1,098,702	629,000

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

(Including Information on Listed Property)

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

OMB No. 1545-0172

2003

Attachment Sequence No. 67

Name(s) shown on return: NASHVILLE CITY BALLET

Identifying number: 58-1440788

Business or activity to which this form relates: INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	

8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 ▶	13	

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

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

14	Special depreciation allowance for qualified prop. (other than listed prop.) placed in service during the tax year (see pg. 3 of the instr.)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	97,225

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	0
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B-Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

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

Section C-Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	97,225
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	Date Acquired	Date Sold	Sale Price	How Rec'd / Cost & Expense	Whom Sold / Deprec	Gain/ -Loss
FLOOR	6/29/01	12/31/03	$	PURCHASE $ 22,152	$ 12,922	$ -9,230
FLOOR	6/29/01	12/31/03		PURCHASE 4,990	2,911	-2,079
FLOOR	7/23/01	12/31/03		PURCHASE 4,734	354	-4,380
CLIENT LIST	6/30/99	12/31/03		PURCHASE 14,200	14,200	
TOTAL			$ 0	$ 46,076	$ 30,387	$ -15,689

Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
	$	$	$	$
EXPENSES				
ARTISTS FEES AND ROYALTIES	186,833	186,833		
MOUNTING EXPENSE	25,778	25,778		
SHOE AND TIGHT EXPENSE	26,031	26,031		
PROFESSIONAL EXPENSE	86,146	83,938	1,240	968
BALLET BOUTIQUE EXPENSE	14,662	14,662		
THEATER RENTAL & CREW EXP	126,498	126,498		
INSURANCE	21,511	16,133	4,302	1,076
LAYOUT DESIGN AND FILMS	85,029	84,111		918
AUDITION EXPENSE	6,279	6,279		
MISCELLANEOUS	12,368	5,629	1,406	5,333
SPECIAL EVENTS EXPENSE	13,349	13,349		
TOTAL	$ 604,484	$ 589,241	$ 6,948	$ 8,295

Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose

THE PURPOSE OF THE ORGANIZATION IS TO MAINTAIN A RESIDENT PROFESSIONAL BALLET COMPANY WITH AN AFFILIATED SCHOOL MANDATED TO EDUCATE AND ENTERTAIN.

Statement 4 - Form 990, Part III, Line a - Statement of Program Service Accomplishments

PROMOTE THE PURPOSE OF THE ORGANIZATION AND RELATED MANDATES WHILE ALSO COLLABORATING WITH OTHER ARTS ORGANIZATIONS WITH THE GOAL OF PROMOTING GENERAL INTERESTS IN THE FINE ARTS.

Federal Statements

Statement 5 - Form 990, Part IV, Line 54 - Investments in Securities

Description	Beginning of Year	End of Year	Basis of Valuation
US AND STATE GOVERNMENT BENEFICIAL INTEREST IN ASSETS		61,179	MARKET
		61,179	

Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
PROPERTY & EQUIPMENT	$ 2,706,240	$ 835,141	$ 2,721,508	$ 899,178
TOTAL	$ 2,706,240	$ 835,141	$ 2,721,508	$ 899,178

Statement 7 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
CONSORTIUM	$ 20,996	$ 18,196
TOTAL	$ 20,996	$ 18,196

Statement 8 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
DEFERRED REVENUE (PREPAID TUITION)	$ 9,795	$ 182,651
TOTAL	$ 9,795	$ 182,651

Statement 9 - Form 990, Part IV-A - Other Revenue Included on Financial Statements

Description	Amount
LOSS ON DISPOSAL OF ASSETS	$ 15,689
TOTAL	$ 15,689

Statement 10 - Form 990, Part IV-B - Other Expenses Included on Financial Statements

Description	Amount
LOSS ON DISPOSAL OF ASSETS	$ 15,689
TOTAL	$ 15,689

Federal Statements

Statement 11 - Schedule A, Part III, Line 4b - Explanation of Grant / Loan Qualifications

SEE CRITERIA ATTACHED

Statement 12 - Schedule A, Part IV-A, Line 22 - Other Income

Description	2002	2001	2000	1999
MISCELLANEOUS	$ 51,145	$ 39,312	$ 37,343	$ 38,098
TOTAL	$ 51,145	$ 39,312	$ 37,343	$ 38,098

Federal Statements

Form 990, Part I, Line 1a - Direct Public Support

Description	Cash	Noncash	Total
NON-SCHEDULE B CONTRIBUTIONS	$ 517,614	$	$ 517,614
OTHER CONTRIBUTIONS	905,147		905,147
TOTAL	$ 1,422,761	$ 0	$ 1,422,761

Form 990, Part I, Line 1c - Government Contributions

Description	Cash	Noncash	Total
GRANTS	$ 48,000	$	$ 48,000
OTHER CONTRIBUTIONS	158,500		158,500
TOTAL	$ 206,500	$ 0	$ 206,500

Schedule A, Part IV-A, Line 26b - Excess Gifts

Donor Name	Total	Excess
MARTIN FOUNDATION	$ 248,871	$ 129,179
AMSOUTH BANK	166,335	46,643
JAMES RONALD SCOTT	140,500	20,808
TOTAL	$ 555,706	$ 196,630