

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
2007
Open to Public Inspection

A For the 2007 calendar year, or tax year beginning **7/01/07**, and ending **6/30/08**

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

C Name of organization
SOLES4SOULS, INC.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2900 LEBANON ROAD 210
 City or town, state or country, and ZIP + 4
NASHVILLE TN 37214

D Employer identification number
20-4023482

E Telephone number
615-391-5723

F Accounting method: ☐ Cash
☒ Accrual ☐ Other (specify)

G Website: **WWW.SOLES4SOULS.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 ▶ **30,634,245**

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 Sch. 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	17,108,060	
	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 \$ 247,424 noncash \$ 16,860,636)	1e	17,108,060	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	692,300	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	279,081	
	5	Dividends and interest from securities	5	10,737	
	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	2,363	
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c	-2,363	
	8d		SEE STATEMENT 1	-2,363	
	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		
	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		
Not Assets	11	Other revenue (from Part VII, line 103)	11	12,544,067	
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	30,631,882	
	13	Program services (from line 44, column (B))	13	23,885,809	
	14	Management and general (from line 44, column (C))	14	487,180	
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17	24,372,989	
	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	6,258,893	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	6,345,330	
	20	Other changes in net assets or fund balances (attach explanation)	20	-525,492	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	12,078,731	

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 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
22a Grants paid from donor advised funds (attach schedule)					
(cash \$ _____ non-cash \$ _____)					
If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (attach schedule) STMT 2					
(cash \$ 1,058,020 non-cash \$ _____)					
If this amount includes foreign grants, check here <input type="checkbox"/>	22b	1,058,020	1,058,020		
23 Specific assistance to individuals (attach schedule) STMT 3	23	16,284,873	16,284,873		
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A SEE STATEMENT 4	25a	862,271	656,802	205,469	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b				
c 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				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	473,467	405,027	68,440	
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	105,065	80,299	24,766	
29 Payroll taxes	29	82,049	75,274	6,775	
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32	86,614		86,614	
33 Supplies	33	1,418,707	1,418,508	199	
34 Telephone	34	46,926	46,617	309	
35 Postage and shipping	35	169,755	169,755		
36 Occupancy	36	121,869	121,869		
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39	42,266	42,266		
40 Conferences, conventions, and meetings	40	27,488	27,088	400	
41 Interest	41	23,938	23,938		
42 Depreciation, depletion, etc. (attach schedule)	42	39,261	39,261		
43 Other expenses not covered above (itemize): SEE STATEMENT 5	43a	3,530,420	3,436,212	94,208	
a	43b				
b	43c				
c	43d				
d	43e				
e	43f				
f	43g				
g					
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	24,372,989	23,885,809	487,180	0

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?

► SUPPLYING SHOES WORLD-WIDE TO PEOPLE IN NEED.

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) orgs., and 4947(a)(1) trusts; but optional for others.)

a **SOLES4SOULS, INC. CONDUCTS CAMPAIGNS TO OBTAIN SHOES FROM MANUFACTURERS, RETAIL STORES, CHURCHES, AND SOCIAL AGENCIES TO SUPPLY SHOES TO PEOPLE IN NEED, IN DISASTERS, AND IN POOR FOREIGN COUNTRIES. THE DONATIONS TO PEOPLE IN FOREIGN COUNTRIES ARE THROUGH PARTNER CHARITIES WHO ALREADY SERVE PEOPLE IN THOSE COUNTRIES.**

(Grants and allocations \$ **1,058,020**)

If this amount includes foreign grants, check here ☐

23,885,809

b

(Grants and allocations \$)

If this amount includes foreign grants, check here ☐

c

(Grants and allocations \$)

If this amount includes foreign grants, check here ☐

d

(Grants and allocations \$)

If this amount includes foreign grants, check here ☐

e Other program services (attach schedule)

(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)

23,885,809

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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
Assets	45 Cash—non-interest-bearing	1,719	45	1,375
	46 Savings and temporary cash investments	4,286,212	46	1,847,524
	47a Accounts receivable	12,069		
	b Less: allowance for doubtful accounts		47c	12,069
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	2,188,119	52	2,057,185
	53 Prepaid expenses and deferred charges	22,588	53	67,084
	54a Investments—publicly-traded securities SEE STATEMENT 6	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54a	8,402,828
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
55a Investments—land, buildings, and equipment: basis	250,809			
b Less: accumulated depreciation (attach schedule) SEE STATEMENT 7	47,792	55c	203,017	
56 Investments—other (attach schedule)		56		
57a Land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)		57c		
58 Other assets, including program-related investments (describe SEE STATEMENT 8)	2,821	58	11,063	
59 Total assets (must equal line 74). Add lines 45 through 58	6,663,034	59	12,602,145	
Liabilities	60 Accounts payable and accrued expenses	106,941	60	52,592
	61 Grants payable		61	
	62 Deferred revenue		62	
	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	210,763	64b	470,822
65 Other liabilities (describe)		65		
66 Total liabilities. Add lines 60 through 65	317,704	66	523,414	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	6,345,330	67	12,078,731
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input 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		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	6,345,330	73	12,078,731
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	6,663,034	74	12,602,145	

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	30,106,390
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	-525,492
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	-525,492
c	Subtract line b from line a	c	30,631,882
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	30,631,882

Part IV B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	24,372,989
b	Amounts included on line a but not 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	24,372,989
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	24,372,989

Part IV 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 & deferred compensation plans	(E) Expense account and other allowances
WAYNE ELSEY 2900 LEBANON ROAD NASHVILLE TN 37214	CEO 40	400,000	0	18,000
KEVIN GOUGHARY 2900 LEBANON ROAD NASHVILLE TN 37214	CFO 40	250,938	0	6,000
PAUL WILSON 2900 LEBANON ROAD NASHVILLE TN 37214	PRES OUTREAC 40	76,000	0	0
NELSON WILSON RESIGNED PD POS 7-1-08 2900 LEBANON ROAD NASHVILLE TN 37214	VP OUTREACH 20	36,000	0	0
CONNIE ELDER 2900 LEBANON ROAD NASHVILLE TN 37214	DIRECTOR 5	0	0	0
LEONARD HORWITZ 2900 LEBANON ROAD NASHVILLE TN 37214	DIRECTOR 5	0	0	0
DAVID GRABEN 2900 LEBANON ROAD NASHVILLE TN 37214	SENIOR VP 40	99,333	0	0

Yes	No
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- (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.)

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Part VI Other Information (continued)

		Yes	No
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?		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.)	82a	
82b			
83a	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 quid pro quo contributions?	X	
83b			
84a	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?	N/A	
84b			
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.	N/A	
85b			
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	
88a	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		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		X
88b			
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		X
89b			
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?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
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?		X
89g			
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, 2007 (See instructions.)	90b	14
91a	The books are in care of ▶ TIM DEATS 2900 LEBANON ROAD Located at ▶ NASHVILLE, TN Telephone no. ▶ 615-391-5723 ZIP + 4 ▶ 37214		
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 ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c ☐ 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 ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92

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 MICRO ENTERPRISES/SALVAGE			5	692,300	
b					
c					
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	279,081	
96 Dividends and interest from securities			14	10,737	
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					-2,363
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b FI CHARITABLE TRUST					12,544,067
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		982,118	12,541,704
105 Total (add line 104, columns (B), (D), and (E))					13,523,822

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).
103B	THESE RECEIPTS ENABLE THE ENTITY TO SUPPLY SHOES TO PEOPLE IN NEED.

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

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 ID 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 ID 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

**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
WAYNE ELSEY
Type or print name and title

Date
2-10-09

**Paid
Preparer's
Use Only**

Preparer's
signature

Penelope D. Wilson, CPA

Date

2-10-09

Check if
self-
employed

☐

Preparer's SSN or PTIN
(See Gen. Instr. X)

412-78-3462

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

Phone

45-0491842
615-373-3771