

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2007

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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 and ending

B Check if applicable: C Name of organization: D Employer identification number: E Telephone number: F Accounting method:

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.COUNTRYMUSICHALLOFFAME.COM

J Organization type (check only one) 501(c) (3) 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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 12,041,533.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets at beginning of year, Other changes in net assets, Net assets at end of year.

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.

| <i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i> | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|--|-------------|----------------------|----------------------------|-----------------|
| 22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/> | | | | |
| 22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/> | | | | |
| 23 Specific assistance to individuals (attach schedule) | | | | |
| 24 Benefits paid to or for members (attach schedule) | | | | |
| 25a Compensation of current officers, directors, key employees, etc. listed in Part V-A | 339,598. | 143,610. | 140,402. | 55,586. |
| 25b Compensation of former officers, directors, key employees, etc. listed in Part V-B | 0. | 0. | 0. | 0. |
| 25c 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) | | | | |
| 26 Salaries and wages of employees not included on lines 25a, b, and c | 3,372,348. | 2,662,362. | 468,784. | 241,202. |
| 27 Pension plan contributions not included on lines 25a, b, and c | 57,395. | 40,463. | 11,381. | 5,551. |
| 28 Employee benefits not included on lines 25a - 27 | 301,853. | 212,815. | 59,870. | 29,168. |
| 29 Payroll taxes | 311,109. | 219,341. | 61,706. | 30,062. |
| 30 Professional fundraising fees | | | | |
| 31 Accounting fees | 17,750. | 13,813. | 3,737. | 200. |
| 32 Legal fees | 73,621. | 57,293. | 15,502. | 826. |
| 33 Supplies | 52,779. | 41,073. | 11,112. | 594. |
| 34 Telephone | 74,455. | 57,942. | 15,676. | 837. |
| 35 Postage and shipping | 46,999. | 36,575. | 9,895. | 529. |
| 36 Occupancy | 946,846. | 736,881. | 199,362. | 10,603. |
| 37 Equipment rental and maintenance | 88,108. | 68,567. | 18,851. | 690. |
| 38 Printing and publications | 5,029. | 3,545. | 997. | 487. |
| 39 Travel | 97,279. | 68,585. | 19,294. | 9,400. |
| 40 Conferences, conventions, and meetings | | | | |
| 41 Interest | 1,034,975. | 805,432. | 217,908. | 11,635. |
| 42 Depreciation, depletion, etc. (attach schedule) | 1,567,942. | 1,220,172. | 330,052. | 17,718. |
| 43 Other expenses not covered above (itemize): | | | | |
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| f | | | | |
| g SEE STATEMENT 5 | 4,222,734. | 2,839,434. | 1,045,305. | 337,995. |
| 44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) | 12,610,820. | 9,227,903. | 2,629,834. | 753,083. |

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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 | 224,953. | 308,201. |
| | 46 Savings and temporary cash investments | 1,100,285. | 1,146,171. |
| | 47 a Accounts receivable | 539,542. | |
| | b Less: allowance for doubtful accounts | 27,979. | |
| | | 504,859. | 511,563. |
| | 48 a Pledges receivable | 958,663. | |
| | b Less: allowance for doubtful accounts | 25,000. | |
| | | 2,247,713. | 933,663. |
| | 49 Grants receivable | | |
| | 50 a Receivables from current and former officers, directors, trustees, and key employees | | |
| | b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | |
| | 51 a Other notes and loans receivable | | |
| | b Less: allowance for doubtful accounts | | |
| | | | |
| | 52 Inventories for sale or use | 554,979. | 746,894. |
| | 53 Prepaid expenses and deferred charges | 156,462. | 36,534. |
| | 54 a Investments - publicly-traded securities STMT 13 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 939,876. | 1,183,974. |
| | b Investments - other securities STMT 12 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 94,084. | 24,802. |
| | 55 a Investments - land, buildings, and equipment: basis | | |
| b Less: accumulated depreciation | | | |
| 56 Investments - other | | | |
| 57 a Land, buildings, and equipment: basis | 42,448,072. | | |
| b Less: accumulated depreciation STMT 8 | 10,642,293. | | |
| | 32,904,696. | 31,805,779. | |
| 58 Other assets, including program-related investments (describe BOND ISSUE COSTS) | 371,274. | 347,061. | |
| 59 Total assets (must equal line 74). Add lines 45 through 58 | 39,099,181. | 37,044,642. | |
| Liabilities | 60 Accounts payable and accrued expenses | 1,472,913. | 1,793,183. |
| | 61 Grants payable | | |
| | 62 Deferred revenue | 192,441. | 340,998. |
| | 63 Loans from officers, directors, trustees, and key employees | | |
| | 64 a Tax-exempt bond liabilities STMT 9 | 24,010,000. | 23,535,000. |
| | b Mortgages and other notes payable STMT 10 STMT 11 | 1,385,005. | 1,629,827. |
| | 65 Other liabilities (describe STMT 10 STMT 11) | | |
| 66 Total liabilities. Add lines 60 through 65 | 27,060,359. | 27,299,008. | |
| 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 | 8,942,235. | 6,905,962. |
| | 68 Temporarily restricted | 1,956,587. | 1,699,172. |
| | 69 Permanently restricted | 1,140,000. | 1,140,500. |
| | 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 | | |
| | 71 Paid-in or capital surplus, or land, building, and equipment fund | | |
| | 72 Retained earnings, endowment, accumulated income, or other funds | | |
| | 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) | 12,038,822. | 9,745,634. |
| | 74 Total liabilities and net assets/fund balances. Add lines 66 and 73 | 39,099,181. | 37,044,642. |

| 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? 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.) | X | |
| 82b | 50,928. | | |
| 83 a | Did the organization comply with the public inspection requirements for returns and exemption applications? | X | |
| 83b | 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 |
| 84b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A | | |
| 85 a | 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members? N/A | | |
| 85b | Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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. | | |
| 85c | Dues, assessments, and similar amounts from members N/A | | |
| 85d | Section 162(e) lobbying and political expenditures N/A | | |
| 85e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices N/A | | |
| 85f | Taxable amount of lobbying and political expenditures (line 85d less 85e) N/A | | |
| 85g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A | | |
| 85h | 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 | | |
| 86 | 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 N/A | | |
| 86b | Gross receipts, included on line 12, for public use of club facilities N/A | | |
| 87 | 501(c)(12) organizations. Enter: a Gross income from members or shareholders N/A | | |
| 87b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 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 | | X |
| 88b | 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 |
| 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. | | |
| 89b | 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 | | X |
| 89c | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0. | | |
| 89d | Enter: Amount of tax on line 89c, above, reimbursed by the organization 0. | | |
| 89e | All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? | | X |
| 89f | All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? | | X |
| 89g | 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? N/A | | |
| 90 a | List the states with which a copy of this return is filed TN | | |
| 90b | Number of employees employed in the pay period that includes March 12, 2007 114 | | |
| 91 a | The books are in care of MS. NINA HAMMONTREE Telephone no. 615-416-2043 Located at 222 FIFTH AVE SOUTH, NASHVILLE, TN ZIP + 4 37203 | | |
| 91b | 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 N/A | | 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? 91c
 If "Yes," enter the name of the foreign country N/A

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 N/A

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

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|--|---------------------------|---------------|--------------------------------------|---------------|---|
| | (A) Business code | (B) Amount | (C) Exclu- sion code | (D) Amount | |
| 93 Program service revenue: | | | | | |
| a ADMISSION FEES | | | | | 4,454,725. |
| b EVENT INCOME | | | | | 1,219,061. |
| 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 | 57,532. | |
| 96 Dividends and 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 personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | 18 | 32,111. | |
| 101 Net income or (loss) from special events | | | | | 25,920. |
| 102 Gross profit or (loss) from sales of inventory | 453220 | 542,860. | | | 1,350,261. |
| 103 Other revenue: | | | | | |
| a ROYALTIES | | | 15 | 70,088. | |
| b OTHER INCOME | | | | | 369,665. |
| c RESTAURANT IN MUSEUM | | | 03 | 178,359. | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 542,860. | | 338,090. | 7,419,632. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 8,300,582. |

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 17 |
| | |
| | |

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) N/A

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

Table with 4 columns: (A) Name, address, of each controlled entity; (B) Employer Identification Number; (C) Description of transfer; (D) Amount of transfer. Includes a Totals row.

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

Table with 4 columns: (A) Name, address, of each controlled entity; (B) Employer Identification Number; (C) Description of transfer; (D) Amount of transfer. Includes a Totals row.

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

Yes No

I am preparing this return on behalf of the organization and I declare that I am qualified to prepare this return and I am not aware of any information that would cause this return to be deficient.

Prepared by: Mark E. Follis, CPA Date: 6/30/08
Prepared by: Dempsey Vantrease & Follis, PLLC

Preparer's information section including name (MARK E. FOLLIS, CPA), date (06/30/08), and address (630 S. CHURCH ST., STE 300, MURFREESBORO, TENNESSEE 37130).

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 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

2007

| | |
|---|---|
| Name of the organization COUNTRY MUSIC FOUNDATION, INC. | Employer identification number 62 0753887 |
|---|---|

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 benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| LIZ THIELS 222 FIFTH AVE S, NASHVILLE, TN 37203 | SENIOR VP PR 45.00 | 103,009. | 3,577. | |
| SHARON BURNS 222 FIFTH AVE S., NASHVILLE, TN 37203 | VP SALES AND MKTING 45.00 | 88,911. | | |
| CAROLYN TATE 222 FIFTH AVE S., NASHVILLE, TN 37203 | VP MUSEUM SER 45.00 | 79,707. | 394. | |
| JAY ORR 222 FIFTH AVE S., NASHVILLE, TN 3720 | VP MUSEUM PROGRAMS 45.00 | 80,717. | 2,390. | |
| KAREN FLEMING 222 FIFTH AVE S., NASHVILLE, TN 3720 | VP DEVELOPMEN 45.00 | 92,953. | 2,627. | |
| Total number of other employees paid over \$50,000 ▶ | 12 | | | |

Part II-A 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 ▶ | 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 page 2 of the instructions.)

| (a) Name and address of each independent contractor paid more than \$50,000 | (b) Type of service | (c) Compensation |
|--|----------------------|------------------|
| GUARDSMARK P.O. BOX 11407, BIRMINGHAM, AL 35246-3000 | SECURITY SERVICE | 244,569. |
| FRANCO ENTERPRISES LLC 708 AMBERWOOD PLACE, NASHVILLE, TN 37221 | CLEANING SERVICES | 158,460. |
| 1220 EXHIBITS, INC. 3801 VULCAN DRIVE, NASHVILLE, TN 37221 | EXHIBIT FEES | 99,728. |
| JOHNSON CONTROLS P.O. BOX 905240, CHARLOTTE, NC 28290 | FACILITY MAINTENANCE | 65,609. |
| ADT SECURITY P.O. BOX 371967, PITTSBURG, PA 15250 | ALARM SERVICE | 51,049. |
| Total number of other contractors receiving over \$50,000 for other services ▶ | 0 | |

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 ▶ \$ _____ \$ <u>13,638.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) VI-B, LINE I | 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? SEE STATEMENT 18 | X | |
| b | Lending of money or other extension of credit? | | X |
| c | Furnishing of goods, services, or facilities? | | X |
| d | Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990 | X | |
| e | Transfer of any part of its income or assets? | | X |
| 3 a | 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.) | | X |
| b | Did the organization have a section 403(b) annuity plan for its employees? | | 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 | | X |
| d | Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? | | X |
| 4 a | Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g | | X |
| b | Did the organization make any taxable distributions under section 4966? N/A | | |
| c | Did the organization make a distribution to a donor, donor advisor, or related person? 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 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 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 pages 4 through 8 of the 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.)
- 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 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 page 8 of the 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 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | ▶ |

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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) 2006 | (b) 2005 | (c) 2004 | (d) 2003 | (e) Total |
|---|-------------|------------|------------|------------|------------------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 5,599,838. | 2,695,136. | 1,331,848. | 386,675. | 10,013,497. |
| 16 Membership fees received | | | | | |
| 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 | 7,906,960. | 6,698,985. | 5,859,204. | 5,812,046. | 26,277,195. |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 83,854. | 139,516. | 267,613. | 125,030. | 616,013. |
| 19 Net income from unrelated business activities not included in line 18 | | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | |
| 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 | | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | | | | | |
| 23 Total of lines 15 through 22 | 13,590,652. | 9,533,637. | 7,458,665. | 6,323,751. | 36,906,705. |
| 24 Line 23 minus line 17 | 5,683,692. | 2,834,652. | 1,599,461. | 511,705. | 10,629,510. |
| 25 Enter 1% of line 23 | 135,907. | 95,336. | 74,587. | 63,238. | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ | | | | | 26a 212,590. |
| 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 3,448,486. |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ | | | | | 26c 10,629,510. |
| d Add: Amounts from column (e) for lines: 18 <u>616,013.</u> 19 _____ 22 _____ 26b <u>3,448,486.</u> ▶ | | | | | 26d 4,064,499. |
| e Public support (line 26c minus line 26d total) ▶ | | | | | 26e 6,565,011. |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ | | | | | 26f 61.7621% |
| 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 (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: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____ | | | | | |
| c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶ | | | | | 27c N/A |
| d Add: Line 27a total _____ and line 27b total _____ ▶ | | | | | 27d N/A |
| e Public support (line 27c total minus line 27d total) ▶ | | | | | 27e N/A |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ | | | | | 27f N/A |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ | | | | | 27g N/A % |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ | | | | | 27h N/A % |

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 page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

| | | 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? | | |
| 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? | | |
| 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? 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? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____ | 32d | |
| 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.) _____ _____ | | |
| 34 a | 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 | |

Schedule A (Form 990 or 990-EZ) 2007

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 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 |
|---|---|-----------------------------------|---|
| | | N/A | |
| 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 | 41 | |
| 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 | | |
| 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 on page 13 of the instructions.)

| Calendar year (or fiscal year beginning in) ▶ | Lobbying Expenditures During 4-Year Averaging Period | | | | N/A |
|--|--|-------------|-------------|-------------|--------------|
| | (a) 2007 | (b) 2006 | (c) 2005 | (d) 2004 | (e) Total |
| 45 Lobbying nontaxable amount | | | | | 0. |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | 0. |
| 47 Total lobbying expenditures | | | | | 0. |
| 48 Grassroots nontaxable amount | | | | | 0. |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | 0. |
| 50 Grassroots lobbying expenditures | | | | | 0. |

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

| 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 | X | | |
| b Paid staff or management (Include compensation in expenses reported on lines c through h .) | X | | |
| c Media advertisements | | X | |
| d Mailings to members, legislators, or the public | X | | 100. |
| e Publications, or published or broadcast statements | | X | |
| f Grants to other organizations for lobbying purposes | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body | X | | 13,538. |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means | | X | |
| i Total lobbying expenditures (Add lines c through h .) | | | 13,638. |

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

SEE STATEMENT 19

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 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?

a Transfers from the reporting organization to a noncharitable exempt organization of:

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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:

N/A

| | Yes | No |
|---------------|-----|----|
| 51a(i) | | X |
| a(ii) | | X |
| b(i) | | X |
| b(ii) | | X |
| b(iii) | | X |
| b(iv) | | X |
| b(v) | | X |
| b(vi) | | X |
| c | | X |

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

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|-----------------------------|-----------------------------|------------------------------------|
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| Asset Number | Description of property | | | | | | | |
|--------------|--|-----------------|--------------|----------|---------------------|-----------------|---------------------------------------|------------------------|
| | Date placed in service | Method/IRC sec. | Life or rate | Line No. | Cost or other basis | Basis reduction | Accumulated depreciation/amortization | Current year deduction |
| | BUILDINGS | | | | | | | |
| 2 | BUILDING AND IMPROVEMENTS | | | | | | | |
| | | | .000 | 16 | 29,997,354. | | 4265580. | 755,059. |
| | * 990 PAGE 2 TOTAL BUILDINGS | | | | | | | |
| | | | | | 29,997,354. | 0. | 4265580. | 755,059. |
| | FURNITURE & FIXTURES | | | | | | | |
| 3 | FURNITURE AND EQUIPMENT | | | | | | | |
| | | | .000 | 16 | 1,658,240. | | 577,254. | 167,204. |
| | * 990 PAGE 2 TOTAL FURNITURE & FIXTURES | | | | | | | |
| | | | | | 1,658,240. | 0. | 577,254. | 167,204. |
| | TRANSPORTATION EQUIPMENT | | | | | | | |
| 5 | VEHICLES | | | | | | | |
| | | | .000 | 16 | 29,197. | | 26,397. | 2,800. |
| | * 990 PAGE 2 TOTAL TRANSPORTATION EQUIPMENT | | | | | | | |
| | | | | | 29,197. | 0. | 26,397. | 2,800. |
| | LAND | | | | | | | |
| 1 | LAND | | | | | | | |
| | | L | | | 932,700. | | | 0. |
| | * 990 PAGE 2 TOTAL LAND | | | | | | | |
| | | | | | 932,700. | 0. | 0. | 0. |
| | OTHER | | | | | | | |
| 4 | EXHIBITS | | | | | | | |
| | | | .000 | 16 | 8,820,988. | | 4205120. | 642,879. |
| 6 | CONSTRUCTION IN PROCESS | | | | | | | |
| | | | .000 | 16 | 70,857. | | | 0. |
| 7 | LIBRARY | | | | | | | |
| | | | .000 | 16 | 938,736. | | | 0. |
| | * 990 PAGE 2 TOTAL OTHER | | | | | | | |
| | | | | | 9,830,581. | 0. | 4205120. | 642,879. |
| | * GRAND TOTAL 990 PAGE 2 DEPR | | | | | | | |
| | | | | | 42,448,072. | 0. | 9074351. | 1,567,942. |

| FORM 990 | GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES | | | STATEMENT | 1 |
|-----------------------------------|---|------------------------|--------------------|-----------------------|---|
| DESCRIPTION | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | NET GAIN OR (LOSS) | |
| VARIOUS PUBLICLY TRADED STOCKS | 421,456. | 389,345. | 0. | 32,111. | |
| TO FORM 990, PART I, LINE 8 | 421,456. | 389,345. | 0. | 32,111. | |

| FORM 990 | SPECIAL EVENTS AND ACTIVITIES | | | | STATEMENT | 2 |
|---|-------------------------------|------------------------|------------------|--------------------|-------------------------|---|
| DESCRIPTION OF EVENT | GROSS RECEIPTS | CONTRIBUT. INCLUDED | GROSS REVENUE | DIRECT EXPENSES | NET INCOME OR (LOSS) | |
| ALL FOR THE HALL DINNER IN NEW YORK CITY | 433,775. | 373,775. | 60,000. | 34,080. | 25,920. | |
| TO FM 990, PART I, LINE 9 | 433,775. | 373,775. | 60,000. | 34,080. | 25,920. | |

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

| | | |
|--|-----------|-----------|
| 1. GROSS RECEIPTS | 3,321,733 | |
| 2. RETURNS AND ALLOWANCES | | |
| 3. LINE 1 LESS LINE 2 | | 3,321,733 |
| 4. COST OF GOODS SOLD (LINE 13) | 1,428,612 | |
| 5. GROSS PROFIT (LINE 3 LESS LINE 4) | | 1,893,121 |

COST OF GOODS SOLD

| | | |
|--|-----------|-----------|
| 6. INVENTORY AT BEGINNING OF YEAR | 554,979 | |
| 7. MERCHANDISE PURCHASED | 1,620,527 | |
| 8. COST OF LABOR | | |
| 9. MATERIALS AND SUPPLIES | | |
| 10. OTHER COSTS | | |
| 11. ADD LINES 6 THROUGH 10 | | 2,175,506 |
| 12. INVENTORY AT END OF YEAR | 746,894 | |
| 13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). | | 1,428,612 |

| | | | |
|----------|--|-----------|---|
| FORM 990 | OTHER CHANGES IN NET ASSETS OR FUND BALANCES | STATEMENT | 4 |
|----------|--|-----------|---|

| DESCRIPTION | AMOUNT |
|------------------------------------|----------|
| UNREALIZED GAIN ON STOCK | 128,136. |
| TOTAL TO FORM 990, PART I, LINE 20 | 128,136. |

| | | | |
|----------|----------------|-----------|---|
| FORM 990 | OTHER EXPENSES | STATEMENT | 5 |
|----------|----------------|-----------|---|

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|---------------------------|--------------|----------------------------|----------------------------------|--------------------|
| BAD DEBT EXPENSE | 558,620. | | 558,620. | |
| INSURANCE | 81,729. | 63,603. | 17,208. | 918. |
| LICENSES AND TAXES | 25,818. | 20,092. | 5,436. | 290. |
| AMORTIZATION | 24,213. | 18,843. | 5,097. | 273. |
| AUTO | 8,608. | 6,699. | 1,812. | 97. |
| MISCELLANEOUS | 9,986. | 7,771. | 2,102. | 113. |
| ADVERTISING | 771,561. | 600,440. | 162,448. | 8,673. |
| PURCHASED SERVICES | 259,474. | 201,923. | 54,619. | 2,932. |
| CREDIT CARD EXPENSE | 133,564. | 133,564. | | |
| EXHIBIT EXPENSES | 53,784. | 53,784. | | |
| GRANT RELATED EXPENSES | 175,600. | 175,600. | | |
| DUES AND SUBSCRIPTIONS | 42,767. | 30,152. | 8,482. | 4,133. |
| BANK CHARGES | 358,002. | 278,597. | 75,359. | 4,046. |
| EVENTS | 348,517. | 348,517. | | |
| VISTA | 121,605. | 121,605. | | |
| MUSEUM SERVICES | 208,492. | 208,492. | | |
| FUNDRAISING EXPENSES | 308,256. | | | 308,256. |
| SECURITY SERVICES | 188,010. | 146,312. | 39,584. | 2,114. |
| JANITORIAL SERVICES | 155,792. | 121,237. | 32,794. | 1,761. |
| INTEREST RATE SWAP | 388,336. | 302,203. | 81,744. | 4,389. |
| TOTAL TO FM 990, LN 43 | 4,222,734. | 2,839,434. | 1,045,305. | 337,995. |

| | | | |
|----------|--|-----------|---|
| FORM 990 | STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS | STATEMENT | 6 |
|----------|--|-----------|---|

DESCRIPTION OF PROGRAM SERVICE ONE

THE MUSEUM PROVIDES AN AUTHENTIC, OBJECT-BASED LEARNING EXPERIENCE THAT EXAMINES THE HISTORY OF COUNTRY AND RELATED SOUTHERN VERNACULAR MUSIC. THE MUSEUM EXPERIENCE IS EXTENDED THROUGH A RANGE OF HIGH-QUALITY, FREE-CHOICE LEARNING OPPORTUNITIES INCLUDING INTERPRETIVE PROGRAMS SUCH AS: IMMERSION IN THE SOUNDS OF MUSIC THROUGH HISTORIC REISSUE RECORDINGS AND/OR LIVE PERFORMANCES; IN-DEPTH HISTORICAL AND/OR BIOGRAPHICAL STUDIES THROUGH BOOKS AND OTHER PUBLICATIONS; FILM AND TELEVISION SCREENINGS; ORAL HISTORIES; QUESTION AND ANSWER SESSIONS, PANEL DISCUSSIONS, AND LIVE INTERVIEWS; HANDS-ON ACTIVITIES FROM SONGWRITING TO INSTRUMENT DEMONSTRATIONS TO DANCE; PRINT AND BROADCAST AND INTERNET PRESENTATIONS; AND SCHOOL PROGRAMS THAT SUPPORT THE SOCIAL STUDIES, LANGUAGE ARTS AND MUSIC CURRICULUM.

| | | |
|-------------------------------|---------------|-----------------|
| | <u>GRANTS</u> | <u>EXPENSES</u> |
| TO FORM 990, PART III, LINE A | | 9,227,903. |

| | | | |
|----------|--|-----------|---|
| FORM 990 | STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III | STATEMENT | 7 |
|----------|--|-----------|---|

EXPLANATION

THE MISSION OF THE COUNTRY MUSIC FOUNDATION, INC.(CMF) IS TO IDENTIFY AND PRESERVE AND EVOLVING HISTORY AND TRADITIONS OF COUNTRY MUSIC AND TO EDUCATE ITS AUDIENCES. FUNCTIONING AS A LOCAL HISTORY MUSEUM AND AS AN INTERNATIONAL ARTS ORGANIZATION, THE CMF SERVES VISITING AND NON-VISITING AUDIENCES INCLUDING FANS, STUDENTS, SCHOLARS, MEMBERS OF THE MUSIC INDUSTRY, AND THE GENERAL PUBLIC——IN THE NASHVILLE AREA, THE NATION, AND THE WORLD.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|-----------------------------------|------------------------|-----------------------------|-------------|
| BUILDINGS | 29,997,354. | 5,020,639. | 24,976,715. |
| FURNITURE & FIXTURES | 1,658,240. | 744,458. | 913,782. |
| LAND | 932,700. | 0. | 932,700. |
| TRANSPORTATION EQUIPMENT | 29,197. | 29,197. | 0. |
| OTHER | 9,830,581. | 4,847,999. | 4,982,582. |
| TOTAL TO FORM 990, PART IV, LN 57 | 42,448,072. | 10,642,293. | 31,805,779. |

| | | |
|----------|---------------------------------------|-------------|
| FORM 990 | TAX-EXEMPT BOND MORTGAGES OUTSTANDING | STATEMENT 9 |
|----------|---------------------------------------|-------------|

PURPOSE OF ISSUE

CONSTRUCTION OF NEW MUSEUM

| UNEXPENDED BOND PROCEEDS | MATURITY DATE | INTEREST RATE | USE BY THIRD PARTY | AMOUNT OF ISSUE OUTSTANDING |
|---|------------------|------------------|------------------------------|-----------------------------------|
| 0. | 06/01/22 | 3.44% | NO | |
| REPAYMENT TERMS | | | SECURITY PROVIDED | |
| \$500,000 ANNUALLY PLUS INTEREST | | | IRREVOCABLE LETTER OF CREDIT | 23,535,000. |
| TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A | | | | 23,535,000. |

| | | |
|----------|-------------------|--------------|
| FORM 990 | MORTGAGES PAYABLE | STATEMENT 10 |
|----------|-------------------|--------------|

| DESCRIPTION | BALANCE DUE |
|---|-------------|
| SUNTRUST BANK | 14,119. |
| TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B | 14,119. |

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 11

LENDER'S NAME TERMS OF REPAYMENT

BANK OF AMERICA

| <u>DATE OF NOTE</u> | <u>MATURITY DATE</u> | <u>ORIGINAL LOAN AMOUNT</u> | <u>INTEREST RATE</u> |
|---------------------|----------------------|-----------------------------|----------------------|
| 05/03/99 | 08/31/07 | 1,197,687. | 8.17% |

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

MUSEUM BRIDGE LOAN

RELATIONSHIP OF LENDER

NONE

| <u>DESCRIPTION OF CONSIDERATION</u> | <u>FMV OF CONSIDERATION</u> | <u>BALANCE DUE</u> |
|-------------------------------------|-----------------------------|--------------------|
| | 0. | 0. |

LENDER'S NAME TERMS OF REPAYMENT

SUNTRUST BANK

| <u>DATE OF NOTE</u> | <u>MATURITY DATE</u> | <u>ORIGINAL LOAN AMOUNT</u> | <u>INTEREST RATE</u> |
|---------------------|----------------------|-----------------------------|----------------------|
| 09/16/03 | 08/31/08 | 0. | 6.48% |

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

NONE LINE OF CREDIT

RELATIONSHIP OF LENDER

NONE

| <u>DESCRIPTION OF CONSIDERATION</u> | <u>FMV OF CONSIDERATION</u> | <u>BALANCE DUE</u> |
|-------------------------------------|-----------------------------|--------------------|
| | 0. | 635,000. |

| LENDER'S NAME | | TERMS OF REPAYMENT | |
|-------------------------------|---------------|----------------------|---------------|
| SUNTRUST BANK | | 432 PER MTH | |
| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
| 07/29/02 | 08/25/07 | 29,434. | 5.20% |
| SECURITY PROVIDED BY BORROWER | | PURPOSE OF LOAN | |
| TRUCK AND VAN | | VEHICLE PURCHASE | |
| RELATIONSHIP OF LENDER | | | |
| NONE | | | |
| DESCRIPTION OF CONSIDERATION | | FMV OF CONSIDERATION | BALANCE DUE |
| | | 0. | 0. |

| LENDER'S NAME | | TERMS OF REPAYMENT | |
|-------------------------------|---------------|----------------------|---------------|
| GLENN D. JONES | | 4,836 PER MT | |
| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
| 08/04/04 | 08/14/19 | 450,000. | 10.00% |
| SECURITY PROVIDED BY BORROWER | | PURPOSE OF LOAN | |
| MUSEUM ARTIFACT(GUITAR) | | BUY ARTIFACT | |
| RELATIONSHIP OF LENDER | | | |
| NONE | | | |
| DESCRIPTION OF CONSIDERATION | | FMV OF CONSIDERATION | BALANCE DUE |
| | | 0. | 398,708. |

LENDER'S NAME TERMS OF REPAYMENT

SUNTRUST BANK

| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
|--------------|---------------|----------------------|---------------|
| 08/02/07 | 08/02/08 | 582,000. | 7.72% |

SECURITY PROVIDED BY BORROWER PURPOSE OF LOAN

NONE BRIDGE LOAN

RELATIONSHIP OF LENDER

NONE

| <u>DESCRIPTION OF CONSIDERATION</u> | <u>FMV OF CONSIDERATION</u> | <u>BALANCE DUE</u> |
|--|-----------------------------|--------------------|
| | 0. | 582,000. |
| TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B | | 1,615,708. |

FORM 990 OTHER SECURITIES STATEMENT 12

| <u>SECURITY DESCRIPTION</u> | <u>COST/FMV</u> | <u>OTHER SECURITIES</u> |
|------------------------------|-----------------|-------------------------|
| MONEY MARKET FUNDS | FMV | 24,802. |
| TO FORM 990, LINE 54B, COL B | | 24,802. |

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 13

| <u>SECURITY DESCRIPTION</u> | <u>COST/FMV</u> | <u>CORPORATE STOCKS</u> | <u>CORPORATE BONDS</u> | <u>OTHER PUBLICLY TRADED SECURITIES</u> | <u>TOTAL NON-GOV'T SECURITIES</u> |
|------------------------------|-----------------|-------------------------|------------------------|---|-----------------------------------|
| VARIOUS STOCKS | FMV | 1,183,974. | | | 1,183,974. |
| TO FORM 990, LINE 54A, COL B | | 1,183,974. | | | 1,183,974. |

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 14

| DESCRIPTION | AMOUNT |
|----------------------------------|------------|
| COST OF GOODS SOLD | 1,428,612. |
| DIRECT EXPENSES OF SPECIAL EVENT | 34,080. |
| TOTAL TO FORM 990, PART IV-A | 1,462,692. |

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 15

| DESCRIPTION | AMOUNT |
|----------------------------------|------------|
| COST OF GOODS SOLD | 1,428,612. |
| DIRECT EXPENSES OF SPECIAL EVENT | 34,080. |
| TOTAL TO FORM 990, PART IV-B | 1,462,692. |

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 16

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN-SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|---|----------------------------------|---------------|---------------------------|-----------------|
| VINCE GILL 1908 WEDGEWOOD AVENUE NASHVILLE, TN 37212 | PRESIDENT 0.00 | 0. | 0. | 0. |
| MIKE CURB 48 MUSIC SQUARE EAST NASHVILLE, TN 37203 | EXECUTIVE VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| ERNEST WILLIAMS ONE AMERICAN CENTER, 3100 WEST END AVE, SUITE 1250 NASHVILLE, TN 37203 | FIRST VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| KEEL HUNT 1024-A 18TH STREET NASHVILLE, TN 37212 | SECRETARY 0.00 | 0. | 0. | 0. |

| | | | | |
|---|-------------------------|----|----|----|
| KEVIN LAVENDER 424 CHURCH ST, SUITE 700 NASHVILLE, TN 37219 | TREASURER 0.00 | 0. | 0. | 0. |
| CONNIE BRADLEY 2 MUSIC SQUARE WEST NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| DR. ROBERT FISHER 1900 BELMONT BOULEVARD NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| JIM FOGLESONG 333 MURFREESBORO ROAD NASHVILLE, TN 37210 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |
| AL GIOMBETTI 16800 EXEC PLAZA DR, MD 4N-1B DEARBORN, MI 48126 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| LON HELTON 1102 17TH AVENUE SOUTH, SUITE 205 NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| HENRY JUSZKIEWICZ 309 PLUS PARK BLVD. NASHVILLE, TN 37217 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| LUKE LEWIS 60 MUSIC SQUARE EAST NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| DONNA NICELY 615 CHURCH STREET NASHVILLE, TN 37219 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| HON. BILL PURCELL 330 10TH AVE SOUTH NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| KENNETH ROBERTS 3100 WEST END AVE, SUITE 1200 NASHVILLE, TN 37203 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |
| DAVID ROSS 1231 17TH AVE SOUTH NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| JOHN GRADY 1910 ACKLEN AVENUE NASHVILLE, TN 37212 | TRUSTEE 0.00 | 0. | 0. | 0. |

| | | | | |
|---|-------------------------|----|----|----|
| FRANCIS GUESS 2 INTERNATIONAL DRIVE, SUITE 510 NASHVILLE, TN 37217 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| RANDY GOODMAN 1100 DEMONBREUN STREET, SUITE 100 NASHVILLE, TN 37203 | TRUSTEE 0.00 | 0. | 0. | 0. |
| TAMMY GENOVESE ONE MUSIC CIRCLE SOUTH NASHVILLE, TN 37203 | EX OFFICIO 0.00 | 0. | 0. | 0. |
| NELSON ANDREWS 2002 RICHARD JONES ROAD, 200C NASHVILLE, TN 37215 | TRUSTEE 0.00 | 0. | 0. | 0. |
| DAVID CONRAD 2303 HAMPTON AVE NASHVILLE, TN 37215 | TRUSTEE 0.00 | 0. | 0. | 0. |
| J. WILLIAM DENNY 917 TYNE BOULEVARD NASHVILLE, TN 37215 | TRUSTEE 0.00 | 0. | 0. | 0. |
| BRUCE HINTON P.O. BOX 684367 PARK CITY, UT 84068 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |
| KEN LEVITAN 1607 17TH AVENUE SOUTH NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| STEVE TURNER 138 2ND AVENUE NORTH, #500 NASHVILLE, TN 37201 | TRUSTEE 0.00 | 0. | 0. | 0. |
| E.W. WENDELL 428 WESTVIEW DRIVE NASHVILLE, TN 37205 | TRUSTEE 0.00 | 0. | 0. | 0. |
| JANICE WENDELL 428 WESTVIEW DRIVE NASHVILLE, TN 37205 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |
| TIM WIPPERMAN 1222 16TH AVENUE SOUTH, SUITE 26 NASHVILLE, TN 37212 | TRUSTEE 0.00 | 0. | 0. | 0. |
| RICHARD FRANK 1018 STONEWALL DRIVE NASHVILLE, TN 37220 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |

| | | | | |
|--|--------------------------------|-----------------|---------------|-----------|
| EMMYLOU HARRIS P.O. BOX 158568 NASHVILLE, TN 37215 | TRUSTEE EMERITI 0.00 | 0. | 0. | 0. |
| SCOTT SIMAN 2214 ELLISTON PLACE, SUITE 304 NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| KYLE YOUNG 222 FIFTH AVE SOUTH NASHVILLE, TN 37203 | DIRECTOR 45.00 | 209,960. | 6,299. | 0. |
| NINA HAMMONTREE 222 FIFTH AVE SOUTH NASHVILLE, TN 37203 | VP FINANCIAL SERVICES 45.00 | 119,762. | 3,577. | 0. |
| JODY WILLIAMS 10 MUSIC SQUARE EAST NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| DON LIGHT P.O. BOX 120308 NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| TRISHA YEARWOOD 1607 17TH AVENUE SOUTH NASHVILLE, TN 37212 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| ROD ESSIG 3310 WEST END AVENUE, 5TH FLOOR NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| MARY ANN MCCREADY 1700 HAYES STREET, SUITE 304 NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| EARL BENTZ 15 BLUEGRASS DRIVE ASHLAND CITY, TN 37015 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| MIKE DUNGAN 3322 WEST END AVENUE, 11TH FLOOR NASHVILLE, TN 37203 | VICE PRESIDENT 0.00 | 0. | 0. | 0. |
| TOTALS INCLUDED ON FORM 990, PART V-A | | <u>329,722.</u> | <u>9,876.</u> | <u>0.</u> |

FORM 990

PART VIII - RELATIONSHIP OF ACTIVITIES TO
ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 17

| LINE | EXPLANATION OF RELATIONSHIP OF ACTIVITIES |
|------|---|
| 93A | ADMISSION FEES ARE FOR THE OPERATION OF THE MUSEUM TO EDUCATE THE PUBLIC THROUGH AN INTERACTIVE OBJECT-BASED LEARNING EXPERIENCE |
| 93B | THE MUSEUM ORGANIZES SPECIAL EVENTS FOR CORPORATE AND INDIVIDUAL PATRONS AND THEIR GUESTS IN THE MUSEUM TO INCREASE AWARENESS OF THE MUSEUM'S EXHIBITS, PROGRAMS AND FUND RAISING OPPORTUNITIES. |
| 102 | EXTENDS THE LEARNING EXPERIENCE BEYOND THE OBJECTS WITHIN THE MUSEUM THROUGH MUSIC, BOOKS, PUBLICATIONS AND OTHER ITEMS THAT ASSIST IN PRESERVING THE HISTORY AND EXPLORING THE SIGNIFICANCE OF COUNTRY MUSIC AND OTHER VERNACULAR MUSIC. |
| 103B | INTERPRETIVE EDUCATIONAL PRODUCTS AND PROGRAMMING TO AMPLIFY THE MUSEUM EXPERIENCE. |

| SCHEDULE A | EXPLANATION OF TRANSACTIONS PART III, LINE 2A | STATEMENT 18 |
|------------|--|--------------|
|------------|--|--------------|

CMF ENTERED INTO A SALE-LEASEBACK TRANSACTION WITH A CHARITABLE FOUNDATION RELATED TO A BOARD MEMBER. CMF SOLD THE BUILDING IN JAN 2002 TO THE CHARITABLE FOUNDATION FOR \$650,000(FMV PER APPRAISAL) AND ENTERED INTO A LEASE AGREEMENT TO LEASE THE PROPERTY FOR \$1 PER YEAR PLUS INSURANCE, MAINTENANCE AND UTILITIES.

DURING 2007, THE COUNTRY MUSIC FOUNDATION, INC. (CMF) SUPPORTED THE AMERICAN ASSOCIATION OF MUSEUM'S POSITION RELATED TO THE REDESIGN OF THE FORM 990 RETURN OF ORGANIZATIONS EXEMPT FROM INCOME TAX. CONCERNS INCLUDED THE POTENTIAL FOR SUBSTANTIVE INCREASES IN PREPARATION TIME AND EXPENSES AND THAT MUSEUMS WOULD BE REQUIRED TO TREAT COLLECTIONS AS FINANCIAL ASSETS AND DONATION OF COLLECTION ITEMS TREATED AS REVENUE DESPITE A LONG SETTLED FINANCIAL ACCOUNTING PRINCIPLE TO THE CONTRARY. CMF SENT LETTERS TO THE TENNESSEE CONGRESSIONAL DELEGATION ENCOURAGING THE EXTENSION OF THE IRA ROLLOVER PROVISION OF THE PENSION REFORM ACT BEYOND DECEMBER 31, 2007 WHILE OBJECTING TO THE FRACTIONAL INTEREST PROVISIONS REGARDING TAX DEDUCTIONS THAT MAY DISCOURAGE GENEROUS DONORS AND POTENTIALLY ENDANGER CULTURAL OBJECTS. CMF SENT LETTERS TO THE TENNESSEE CONGRESSIONAL DELEGATION SUPPORTING ONGOING AND INCREASED FUNDING FOR THE NATIONAL ENDOWMENT FOR THE ARTS, THE NATIONAL ENDOWMENT FOR THE HUMANITIES, AND INSTITUTION FOR MUSEUM AND LIBRARY SERVICES. CMF SENT LETTERS AND PERSONALLY CONTACTED MEMBERS OF THE DAVIDSON COUNTY DELEGATION OF THE TENNESSEE GENERAL ASSEMBLY TO SUPPORT FUNDING FOR THE TENNESSEE ARTS COMMISSION AND SPECIALTY LICENSE PLATES SUPPORTING THE ARTS. CMF SENT LETTERS AND PERSONALLY CONTACTED MEMBERS OF THE METRO NASHVILLE COUNCIL TO SUPPORT FUNDING FOR THE METRO NASHVILLE ARTS COMMISSION. CMF ENGAGED THE SERVICES OF THE STRATEGY GROUP, A PUBLIC AFFAIRS CONSULTING AGENCY TO ATTEMPT TO SECURE CAPITAL FUNDING FOR THE COUNTRY MUSIC HALL OF FAME AND MUSEUM WHICH IS OWNED AND OPERATED BY CMF. CMF'S EXECUTIVE DIRECTOR, AND OTHER STAFF, ALONG WITH SOME OF THE BOARD MEMBERS PERSONALLY MET WITH VARIOUS COUNCIL MEMBERS. THE TOTAL FUNDS EXPENDED ON THESE ACTIVITIES REPRESENTED LESS THAN 1% OF CMF'S TOTAL REVENUE FOR THE YEAR.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2007

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning _____, and ending _____

| | | | |
|--|--|---|---|
| A <input type="checkbox"/> Check box if address changed | | Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) COUNTRY MUSIC FOUNDATION, INC. | Employer identification number (Employees' trust, see instructions for Block D on page 9.) 62-0753887 |
| B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) | Print or Type | Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 222 FIFTH AVE SOUTH | Unrelated business activity codes (See instructions for Block E on page 9.) 453220 |
| | | City or town, state, and ZIP code NASHVILLE, TN 37203 | |
| C Book value of all assets at end of year 37044642. | F Group exemption number (see instructions for Block F.) ▶ | | |
| | G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust | | |

H Describe the organization's primary unrelated business activity. ▶ **MUSEUM STORE SALES- PART IS UNRELATED**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation. ▶

J The books are in care of ▶ **MS. NINA HAMMONTREE** Telephone number ▶ **615-416-2043**

| Part I Unrelated Trade or Business Income | (A) Income | (B) Expenses | (C) Net |
|---|---------------------------|--------------|-----------------|
| 1a Gross receipts or sales 875,862. | | | |
| b Less returns and allowances c Balance ▶ | 1c 875,862. | | |
| 2 Cost of goods sold (Schedule A, line 7) | 2 333,002. | | |
| 3 Gross profit. Subtract line 2 from line 1c | 3 542,860. | | 542,860. |
| 4a Capital gain net income (attach Schedule D) | 4a | | |
| b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) | 4b | | |
| c Capital loss deduction for trusts | 4c | | |
| 5 Income (loss) from partnerships and S corporations (attach statement) | 5 | | |
| 6 Rent income (Schedule C) | 6 | | |
| 7 Unrelated debt-financed income (Schedule E) | 7 | | |
| 8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F) | 8 | | |
| 9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) | 9 | | |
| 10 Exploited exempt activity income (Schedule I) | 10 | | |
| 11 Advertising income (Schedule J) | 11 | | |
| 12 Other income (See instructions; attach schedule.) | 12 | | |
| 13 Total. Combine lines 3 through 12 | 13 542,860. | | 542,860. |

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

| | | |
|--|------------|---------------------------|
| 14 Compensation of officers, directors, and trustees (Schedule K) | 14 | 23,726. |
| 15 Salaries and wages | 15 | 107,118. |
| 16 Repairs and maintenance | 16 | 17,987. |
| 17 Bad debts | 17 | |
| 18 Interest (attach schedule) | 18 | |
| 19 Taxes and licenses | 19 | 12,048. |
| 20 Charitable contributions (See instructions for limitation rules.) | 20 | |
| 21 Depreciation (attach Form 4562) | 21 | 89,472. |
| 22 Less depreciation claimed on Schedule A and elsewhere on return | 22a | 22b 89,472. |
| 23 Depletion | 23 | |
| 24 Contributions to deferred compensation plans | 24 | |
| 25 Employee benefit programs | 25 | 14,100. |
| 26 Excess exempt expenses (Schedule I) | 26 | |
| 27 Excess readership costs (Schedule J) | 27 | |
| 28 Other deductions (attach schedule) SEE STATEMENT 20 | 28 | 259,369. |
| 29 Total deductions. Add lines 14 through 28 | 29 | 523,820. |
| 30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 | 30 | 19,040. |
| 31 Net operating loss deduction (limited to the amount on line 30) | 31 | 19,040. |
| 32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 | 32 | 0. |
| 33 Specific deduction (Generally \$1,000, but see instructions for exceptions) | 33 | 1,000. |
| 34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 | 34 | 0. |

Part III Tax Computation

| | | |
|---|------------|----|
| 35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: | | |
| a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ | | |
| b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ | | |
| c Income tax on the amount on line 34 | 35c | 0. |
| 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) | 36 | |
| 37 Proxy tax. See instructions | 37 | |
| 38 Alternative minimum tax | 38 | |
| 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies | 39 | 0. |

Part IV Tax and Payments

| | | |
|--|------------|----|
| 40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) | 40a | |
| b Other credits (see instructions) | 40b | |
| c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____ | 40c | |
| d Credit for prior year minimum tax (attach Form 8801 or 8827) | 40d | |
| e Total credits. Add lines 40a through 40d | 40e | |
| 41 Subtract line 40e from line 39 | 41 | 0. |
| 42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) | 42 | |
| 43 Total tax. Add lines 41 and 42 | 43 | 0. |
| 44a Payments: A 2006 overpayment credited to 2007 | 44a | |
| b 2007 estimated tax payments | 44b | |
| c Tax deposited with Form 8868 | 44c | |
| d Foreign organizations: Tax paid or withheld at source (see instructions) | 44d | |
| e Backup withholding (see instructions) | 44e | |
| f Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total | 44f | |
| 45 Total payments. Add lines 44a through 44f | 45 | |
| 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | 46 | |
| 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed | 47 | 0. |
| 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid | 48 | 0. |
| 49 Enter the amount of line 48 you want: Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 49 | |

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

| | | |
|--|-----|----|
| 1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here | Yes | No |
| 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. | | X |
| 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____ | | |

Schedule A - Cost of Goods Sold. Enter method of inventory valuation **COST**

| | | | | | |
|---|-----------|----------|---|----------|----------|
| 1 Inventory at beginning of year | 1 | 0. | 6 Inventory at end of year | 6 | 0. |
| 2 Purchases | 2 | 333,002. | 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 | 7 | 333,002. |
| 3 Cost of labor | 3 | | 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | Yes | No |
| 4a Additional section 263A costs | 4a | | | | X |
| b Other costs (attach schedule) | 4b | | | | |
| 5 Total. Add lines 1 through 4b | 5 | 333,002. | | | |

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

Sign Here

Signature of officer: _____ Date: _____ Title: **VP FINANCE**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: **MARK E. FOLLIS, CPA** Date: **10/14/08** Check if self-employed Preparer's SSN or PTIN: **411-94-8399**

Firm's name (or yours if self-employed), address, and ZIP code: **DEMPSEY VANTREASE & FOLLIS PLLC**
630 S. CHURCH ST., STE 300
MURFREESBORO, TENNESSEE 37130

EIN: **62-1736974** Phone no.: **(615)893-6666**

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 20)

1 Description of property

Table with 4 rows for property description (1-4).

Table for Rent received or accrued (2) and Deductions directly connected with the income (3). Includes sub-rows (a) and (b) for rent types.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

Table for Unrelated Debt-Financed Income with columns for Description of debt-financed property (1), Gross income (2), and Deductions (3(a) and 3(b)).

Table for calculations: Amount of average acquisition debt (4), Average adjusted basis (5), Column 4 divided by column 5 (6), Gross income reportable (7), and Allocable deductions (8).

Totals. Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0.

Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

Table for Exempt Controlled Organizations with columns for Name of Controlled Organization (1), Employer Identification Number (2), Net unrelated income (3), Total of specified payments made (4), Part of column 4 included in gross income (5), and Deductions (6).

Nonexempt Controlled Organizations

Table for Nonexempt Controlled Organizations with columns for Taxable Income (7), Net unrelated income (8), Total of specified payments made (9), Part of column 9 included in gross income (10), and Deductions (11).

Totals. Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions on page 22)

| 1 Description of income | 2 Amount of income | 3 Deductions directly connected (attach schedule) | 4 Set-asides (attach schedule) | 5 Total deductions and set-asides (col. 3 plus col. 4) |
|-------------------------|--------------------|---|--------------------------------|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| Totals | 0. | | | 0. |

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions on page 22)

| 1 Description of exploited activity | 2 Gross unrelated business income from trade or business | 3 Expenses directly connected with production of unrelated business income | 4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7. | 5 Gross income from activity that is not unrelated business income | 6 Expenses attributable to column 5 | 7 Excess exempt expenses (column 6 minus column 5, but not more than column 4). |
|-------------------------------------|--|--|---|--|-------------------------------------|---|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals | 0. | 0. | | | | 0. |

Schedule J - Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

| 1 Name of periodical | 2 Gross advertising income | 3 Direct advertising costs | 4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7. | 5 Circulation income | 6 Readership costs | 7 Excess readership costs (column 6 minus column 5, but not more than column 4). |
|--|----------------------------|----------------------------|---|----------------------|--------------------|--|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals (carry to Part II, line (5)) | 0. | 0. | | | | 0. |

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

| | | | | | | |
|--|----|----|--|--|--|----|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| (5) Totals from Part I | 0. | 0. | | | | 0. |
| Totals, Part II (lines 1-5) | 0. | 0. | | | | 0. |

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

| 1 Name | 2 Title | 3 Percent of time devoted to business | 4 Compensation attributable to unrelated business |
|--|---------|---------------------------------------|---|
| | | | % |
| | | | % |
| | | | % |
| | | | % |
| SEE STATEMENT 21 | | | % |
| Total. Enter here and on page 1, Part II, line 14 | | | 23,726. |

FORM 990-T OTHER DEDUCTIONS STATEMENT 20

| DESCRIPTION | AMOUNT |
|--------------------------------------|----------|
| TELEPHONE AND UTILITIES | 44,309. |
| INTEREST | 76,866. |
| CREDIT CARD CHARGES | 45,475. |
| ADVERTISING | 42,697. |
| MISCELLANEOUS | 570. |
| AMORTIZATION | 1,382. |
| INSURANCE | 4,664. |
| SECURITY SERVICES | 10,729. |
| JANITORIAL SERVICES | 8,890. |
| AUTO | 491. |
| SUPPLIES | 3,012. |
| PURCHASED SERVICES | 15,278. |
| PROFESSIONAL FEES | 5,006. |
| TOTAL TO FORM 990-T, PAGE 1, LINE 28 | 259,369. |

FORM 990-T SCHEDULE K - COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES STATEMENT 21

| NAME | TITLE | PERCENT | COMPENSATION |
|---------------------------------|-----------------------|---------|--------------|
| KYLE YOUNG | DIRECTOR | 3.50% | 7,149. |
| NINA HAMMONTREE | VP FINANCIAL SERVICES | 3.50% | 4,078. |
| SUSAN MADDUX | CONTROLLER | 9.00% | 4,930. |
| SHARON BURNS | DIRECTOR | 9.00% | 7,569. |
| TOTAL TO FORM 990-T, SCHEDULE K | | | 23,726. |