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# CENTERSTONE

March 30, 2010

To Whom It May Concern:

Centerstone submits Form 990 electronically to the Internal Revenue Service. Therefore, the attached copy is not signed.

Upon request, I will be happy to provide a copy of IRS Form 8879-EO (which enables Centerstone to file their tax returns electronically).

Sincerely,

Joe Moore  
Controller

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*Excellence in Mental Healthcare*

Form **990**

# 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)

OMB No. 1545-0047

**2008**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2008 calendar year, or tax year beginning JUL 1, 2008 and ending JUN 30, 2009

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C</b> Name of organization <u>CENTERSTONE OF TENNESSEE, INC.</u> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <u>P.O. BOX 40406</u> City or town, state or country, and ZIP + 4 <u>NASHVILLE, TN 37204-0406</u>	<b>D</b> Employer identification number <u>62-1674308</u>  <b>E</b> Telephone number <u>615-463-6600</u>  <b>G</b> Gross receipts \$ <u>66,260,899.</u> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ►
<b>F</b> Name and address of principal officer: <u>ROBERT VERO</u> <u>SAME AS C ABOVE</u>		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( <u>3</u> ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 <b>J</b> Website: ► <u>WWW.CENTERSTONE.ORG</u> <b>K</b> Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ► <b>L</b> Year of formation: <u>1997</u> <b>M</b> State of legal domicile: <u>TN</u>	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <u>PROVIDE INDIVIDUALS, FAMILIES, AND ORGANIZATIONS SEEKING CENTERSTONE OF TENNESSEE CONT. ON SCH. O</u> 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets. 3 Number of voting members of the governing body (Part VI, line 1a) <span style="float:right">3 <u>14</u></span> 4 Number of independent voting members of the governing body (Part VI, line 1b) <span style="float:right">4 <u>13</u></span> 5 Total number of employees (Part V, line 2a) <span style="float:right">5 <u>1285</u></span> 6 Total number of volunteers (estimate if necessary) <span style="float:right">6 <u>75</u></span> 7a Total gross unrelated business revenue from Part VIII, line 12, column (C) <span style="float:right">7a <u>0.</u></span> b Net unrelated business taxable income from Form 990-T, line 34 <span style="float:right">7b <u>0.</u></span>	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h) <span style="float:right">Prior Year <u>17,762,935.</u> Current Year <u>18,820,554.</u></span> 9 Program service revenue (Part VIII, line 2g) <span style="float:right"><u>52,810,480.</u> <u>46,587,140.</u></span> 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) <span style="float:right"><u>271,336.</u> <u>18,026.</u></span> 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) <span style="float:right"><u>0.</u> <u>794,742.</u></span> 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) <span style="float:right"><u>70,844,751.</u> <u>66,220,462.</u></span>	
<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) <span style="float:right"><u>0.</u></span> 14 Benefits paid to or for members (Part IX, column (A), line 4) <span style="float:right"><u>0.</u></span> 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) <span style="float:right"><u>47,138,473.</u> <u>45,575,313.</u></span> 16a Professional fundraising fees (Part IX, column (A), line 11e) <span style="float:right"><u>0.</u></span> b Total fundraising expenses (Part IX, column (D), line 25) ► <u>686,408.</u> 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) <span style="float:right"><u>23,086,416.</u> <u>28,506,339.</u></span> 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) <span style="float:right"><u>70,224,889.</u> <u>74,081,652.</u></span> 19 Revenue less expenses. Subtract line 18 from line 12 <span style="float:right"><u>619,862.</u> <u>-7,861,190.</u></span>	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16) <span style="float:right">Beginning of Year <u>50,627,158.</u> End of Year <u>43,506,138.</u></span> 21 Total liabilities (Part X, line 26) <span style="float:right"><u>12,483,478.</u> <u>13,223,787.</u></span> 22 Net assets or fund balances. Subtract line 21 from line 20 <span style="float:right"><u>38,143,680.</u> <u>30,282,351.</u></span>	

**Part II Signature Block**

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.

<b>Sign Here</b>	Signature of officer <u>ROBERT VERO, CEO</u> Type or print name and title	Date		
<b>Paid Preparer's Use Only</b>	Preparer's signature Firm's name (or yours if self-employed), address, and ZIP + 4 <u>BLUE &amp; CO., LLC</u> <u>ONE AMERICAN SQUARE, #2200</u> <u>INDIANAPOLIS, IN 46282</u>	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) EIN ► Phone no. ► <u>(317) 633-4705</u>

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

**Part III Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:

TO PREVENT AND CURE MENTAL ILLNESS AND ADDICTION2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes", describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes", describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 25119636. including grants of \$ ) (Revenue \$ )  
CLINIC SERVICES: COMPRISED LARGELY OF TRADITIONAL OUTPATIENT SERVICES  
FOR MENTAL HEALTH AND SUBSTANCE USE DISORDERS. THESE SERVICES ALSO  
INCLUDE PSYCHIATRIC EVALUATION, MEDICATION PRESCRIBING AND MEDICATION  
MONITORING. 215,629 SERVICES WERE PROVIDED TO 30,276 CLIENTS.

4b (Code: ) (Expenses \$ 18374969. including grants of \$ ) (Revenue \$ )  
ADULT SERVICES: LARGELY SPECIALIZED IN NATURE AND INCLUDE SUCH SERVICES  
AS COMMUNITY BASED CASE MANAGEMENT, RESIDENTIAL TREATMENT, SUPPORTIVE  
HOUSING, PSYCHO-SOCIAL REHABILITATION, EMPLOYMENT,  
PATIENT/CONSUMER-DRIVEN SERVICES (PEER SUPPORT), AND SPECIALIZED  
EVALUATION AND TREATMENT FOR LATE IN LIFE ADULT CLIENTS. 113,994  
SERVICES WERE PROVIDED TO 5,882 CLIENTS.

4c (Code: ) (Expenses \$ 21293795. including grants of \$ ) (Revenue \$ )  
CHILD, ADOLESCENT & FAMILY SERVICES: LARGELY SPECIALIZED IN NATURE AND  
INCLUDE BOTH PREVENTION AND EDUCATION INTERVENTIONS AS WELL AS  
COMMUNITY-BASED TREATMENT SERVICES SUCH AS CHILD AND YOUTH CASE  
MANAGEMENT, SCHOOL-BASED CASE MANAGEMENT, RESIDENTIAL TREATMENT, FOSTER  
CARE PARENT TRAINING, INTENSIVE IN-HOME SERVICES, AND A SPECIALIZED  
ACADEMIC ACADEMY. 592,337 SERVICES WERE PROVIDED TO 39,819 CLIENTS.

4d Other program services. (Describe in Schedule O.)

(Expenses \$ 7,781,586. including grants of \$ ) (Revenue \$ )

4e Total program service expenses **\$ 72,569,986.** (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	X	
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII		X
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X

Form 990 (2008)

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

	Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	103
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1285
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	X
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a 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)?	4a	X
b 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.		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a Did the organization solicit any contributions that were not tax deductible?	6a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
a Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a	X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d	0
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
<b>8 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	X
<b>9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
a Did the organization make any taxable distributions under section 4966?	9a	X
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b	X
<b>10 Section 501(c)(7) organizations.</b> Enter: N/A		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
<b>11 Section 501(c)(12) organizations.</b> Enter: N/A		
a Gross income from members or shareholders	11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year N/A	12b	

Form 990 (2008)

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

	Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.		
1a Enter the number of voting members of the governing body	1a	14
b Enter the number of voting members that are independent	1b	13
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9a Does the organization have local chapters, branches, or affiliates?	9a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	X
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X
11 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11	X

**Section B. Policies**

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a The organization's CEO, Executive Director, or top management official?	15a	X
b Other officers or key employees of the organization?	15b	X
Describe the process in Schedule O. (see instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

**Section C. Disclosure**

17 List the states with which a copy of this Form 990 is required to be filed	TN
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.	
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:	
JULIE SPEARS - 615-463-6661	
1101 6TH AVENUE NORTH, NASHVILLE, TN 37208	

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns .....	1a 1,738,365.				
	b	Membership dues .....	1b				
	c	Fundraising events .....	1c				
	d	Related organizations .....	1d				
	e	Government grants (contributions) .....	1e 16,407,090.				
	f	All other contributions, gifts, grants, and similar amounts not included above .....	1f 675,099.				
	g	Noncash contributions included in lines 1a-1f: \$ .....					
	h	<b>Total.</b> Add lines 1a-1f .....		18,820,554.			
Program Service Revenue	2 a	NET CLIENT SERVICE REV	Business Code 900099	43,947,997.	43,947,997.		
	b	GOVERNMENT CONTRACTS	624100	2346467.	2346467.		
	c	RESIDENTIAL HOUSING	623990	292,676.	292,676.		
	d						
	e						
	f	All other program service revenue .....					
	g	<b>Total.</b> Add lines 2a-2f .....		46,587,140.			
	3	Investment income (including dividends, interest, and other similar amounts) .....		41,457.			41,457.
4	Income from investment of tax-exempt bond proceeds .....						
5	Royalties .....						
Other Revenue	6 a	Gross Rents .....	(i) Real 158390. (ii) Personal				
	b	Less: rental expenses .....					
	c	Rental income or (loss) .....	158390.				
	d	Net rental income or (loss) .....		158,390.	158,390.		
	7 a	Gross amount from sales of assets other than inventory .....	(i) Securities (ii) Other				
	b	Less: cost or other basis and sales expenses .....	1,718. 21,713.				
	c	Gain or (loss) .....	-1,718. -21,713.				
	d	Net gain or (loss) .....		-23,431.		-23,431.	
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	a 69,695.				
	b	Less: direct expenses .....	b 17,006.				
	c	Net income or (loss) from fundraising events .....		52,689.		52,689.	
	9 a	Gross income from gaming activities. See Part IV, line 19 .....	a				
	b	Less: direct expenses .....	b				
	c	Net income or (loss) from gaming activities .....					
	10 a	Gross sales of inventory, less returns and allowances .....	a				
	b	Less: cost of goods sold .....	b				
	c	Net income or (loss) from sales of inventory .....					
	Miscellaneous Revenue			Business Code			
11 a	OTHER OPERATING REV	900099	577,068.	577,068.			
b							
c							
d	All other revenue .....	900099	6,595.		6,595.		
e	<b>Total.</b> Add lines 11a-11d .....		583,663.				
12	<b>Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e .....		66,220,462.	47,322,598.	0.	77,310.	



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 .....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	1,149,078.	1,046,918.	102,160.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	35,304,695.	31,894,790.	3,137,060.	272,845.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....				
9 Other employee benefits .....	9,121,540.	7,876,088.	1,184,827.	60,625.
10 Payroll taxes .....				
11 Fees for services (non-employees):				
a Management .....	2,112,712.	10,095,528.	-8,020,394.	37,578.
b Legal .....	723,856.	264,925.	458,931.	
c Accounting .....	59,875.		59,875.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other .....	6,387,066.	5,405,521.	951,123.	30,422.
12 Advertising and promotion .....	234,113.	186,314.	46,048.	1,751.
13 Office expenses .....	5,956,845.	5,502,417.	432,503.	21,925.
14 Information technology .....				
15 Royalties .....				
16 Occupancy .....	3,809,974.	3,251,122.	540,220.	18,632.
17 Travel .....	1,603,378.	1,526,273.	75,496.	1,609.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials .....				
19 Conferences, conventions, and meetings .....				
20 Interest .....	82,147.		82,147.	
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	2,447,330.	1,120,838.	1,319,256.	7,236.
23 Insurance .....	556,637.	498,272.	57,607.	758.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>BAD DEBT</b> .....	3,605,105.	3,605,105.	0.	
b <b>CAMPAIGN EXPENSES</b> .....	144,570.	0.	22.	144,548.
c <b>DUES &amp; SUBSCRIPTIONS</b> .....	105,572.	37,253.	67,650.	669.
d .....				
e .....				
f All other expenses .....	677,159.	258,622.	330,727.	87,810.
25 Total functional expenses. Add lines 1 through 24f	74,081,652.	72,569,986.	825,258.	686,408.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing .....	15,896.	1	12,703.
	2 Savings and temporary cash investments .....	6,060,314.	2	2,529,322.
	3 Pledges and grants receivable, net .....	4,064,008.	3	5,763,590.
	4 Accounts receivable, net .....	11,763,938.	4	5,354,282.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L .....		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L .....		6	
	7 Notes and loans receivable, net .....		7	25,000.
	8 Inventories for sale or use .....	30,977.	8	75,263.
	9 Prepaid expenses and deferred charges .....	699,515.	9	177,061.
	10a Land, buildings, and equipment: cost basis .....	10a 48,778,416.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D .....	10b 21,263,615.		
		27,801,098.	10c	27,514,801.
	11 Investments - publicly traded securities .....		11	
	12 Investments - other securities. See Part IV, line 11 .....		12	
	13 Investments - program-related. See Part IV, line 11 .....		13	1,965,072.
	14 Intangible assets .....		14	
15 Other assets. See Part IV, line 11 .....	191,412.	15	89,044.	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	50,627,158.	16	43,506,138.	
Liabilities	17 Accounts payable and accrued expenses .....	8,586,849.	17	8,052,321.
	18 Grants payable .....		18	
	19 Deferred revenue .....		19	109,944.
	20 Tax-exempt bond liabilities .....	400,000.	20	200,000.
	21 Escrow account liability. Complete Part IV of Schedule D .....		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22	
	23 Secured mortgages and notes payable to unrelated third parties .....	3,496,629.	23	2,664,772.
	24 Unsecured notes and loans payable .....		24	
	25 Other liabilities. Complete Part X of Schedule D .....	0.	25	2,196,750.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	12,483,478.	26	13,223,787.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets .....	33,885,992.	27	25,498,772.
	28 Temporarily restricted net assets .....	4,257,688.	28	4,783,579.
	29 Permanently restricted net assets .....		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds .....		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund .....		31	
	32 Retained earnings, endowment, accumulated income, or other funds .....		32	
	33 <b>Total net assets or fund balances</b> .....	38,143,680.	33	30,282,351.
	34 <b>Total liabilities and net assets/fund balances</b> .....	50,627,158.	34	43,506,138.

**Part XI Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....	2a	X
b Were the organization's financial statements audited by an independent accountant? .....	2b	X
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....	2c	X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....	3a	X
b If "Yes," did the organization undergo the required audit or audits? .....	3b	X

Department of the Treasury  
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2008

**Open to Public Inspection**

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part.) (see instructions)
---------------	---

The organization is not a private foundation because it is: (Please check only **one** organization.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 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).** (Complete the Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I                      b ☐ Type II                      c ☐ Type III - Functionally integrated                      d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐ Yes ☐ No

(ii) A family member of a person described in (i) above? ☐ Yes ☐ No

(iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐ Yes ☐ No

h Provide the following information about the organizations the organization supports.

[illegible]

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 - 3 .....						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
6 Public support. Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4 .....						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions) .....					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) .....	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f .....	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>	
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....	<input type="checkbox"/>	

Schedule A (Form 990 or 990-EZ) 2008

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 <b>Total.</b> Add lines 1 - 5 .....						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 .....						
c Add lines 7a and 7b .....						
8 <b>Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6 .....						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
c Add lines 10a and 10b .....						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
13 <b>Total support</b> (Add lines 9, 10c, 11, and 12.)						
14 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) .....	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g .....	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) .....	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h .....	18	%
19a <b>33 1/3% support tests - 2008.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
b <b>33 1/3% support tests - 2007.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
20 <b>Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions .....		<input type="checkbox"/>

**Schedule B**

(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, and 990-PF.

OMB No. 1545-0047

**2008**

Name of the organization

Employer identification number

**CENTERSTONE OF TENNESSEE, INC.**

**62-1674308**

Organization type(check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

**General Rule**

☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$

**Caution.** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 16,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 30,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11		\$ 12,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12		\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13		\$ 22,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14		\$ 8,764.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15		\$ 5,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16		\$ 20,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17		\$ 12,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18		\$ 10,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19		\$ 5,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20		\$ 5,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
21		\$ 5,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
22		\$ 177,811.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
23		\$ 89,134.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
24		\$ 469,992.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25		\$ 6,516,228.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
26		\$ 2,939,554.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
27		\$ 4,494,278.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
28		\$ 6,656.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

CENTERSTONE OF TENNESSEE, INC.

62-1674308

**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
16	VARIETY OF TOYS	\$ 20,000.	03/17/09
17	GIFT IN-KIND DONATIONS FOR AGW EVENT	\$ 12,000.	03/17/09
18	IN-KIND DONATIONS TOTAL	\$ 10,000.	03/17/09
19	PATRON PARTY EVENT	\$ 5,000.	03/17/09
20	GIFT IN-KIND DONATION OF PUBLIC RELATIONS FOR GC EVENT	\$ 5,000.	03/17/09
21	BEACH HOUSE STAY	\$ 5,000.	03/17/09

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

Department of the Treasury  
Internal Revenue Service

**Political Campaign and Lobbying Activities**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

▶ To be completed by organizations described below.

▶ Attach to Form 990 or Form 990-EZ.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization **CENTERSTONE OF TENNESSEE, INC.** Employer identification number **62-1674308**

**Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.**

See the instructions for Schedule C for details.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

**Part I-B To be completed by all organizations exempt under section 501(c)(3).**

See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV.

**Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).**

See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

**Part II-A** To be completed by organizations exempt under section 501(c)(3) that filed Form 5768  
(election under section 501(h)). See the instructions for Schedule C for details.A Check ☐ if the filing organization belongs to an affiliated group.B Check ☐ if the filing organization checked box A and "limited control" provisions apply.**Limits on Lobbying Expenditures**  
(The term "expenditures" means amounts paid or incurred.)(a) Filing  
organization's  
totals(b) Affiliated group  
totals

1a Total lobbying expenditures to influence public opinion (grassroots lobbying) .....

b Total lobbying expenditures to influence a legislative body (direct lobbying) .....

c Total lobbying expenditures (add lines 1a and 1b) .....

d Other exempt purpose expenditures .....

e Total exempt purpose expenditures (add lines 1c and 1d) .....

f Lobbying nontaxable amount. Enter the amount from the following table in both columns.

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over \$500,000	20% of the amount on line 1e.
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.
Over \$17,000,000	\$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f) .....

h Subtract line 1g from line 1a. Enter -0- if line g is more than line a .....

i Subtract line 1f from line 1c. Enter -0- if line f is more than line c .....

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720

reporting section 4911 tax for this year? .....

☐ Yes☐ No**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 2a through 2f of the instructions.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column(e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990 or 990-EZ) 2008

**Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
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	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i Other activities? If "Yes," describe in Part IV	X		3,310.
j Total lines 1c through 1i			3,310.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

**Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

**PART II-B, LINE 1(I), OTHER LOBBYING ACTIVITIES:**

A PORTION (8%) OF DUES PAID TO A TRADE ORGANIZATION, TENNESSEE

ASSOCIATION OF MENTAL HEALTH ORGANIZATIONS (TAMHO), IS ESTIMATED TO BE

USED FOR LOBBYING ACTIVITIES BY THE TRADE ORGANIZATION. THE TOTAL DUES

PAID TO TAMHO DURING THE FISCAL YEAR ENDED 6/30/09 IS \$41,375 OF WHICH

\$3,310 ARE ESTIMATED TO BE USED FOR LOBBYING ACTIVITIES.

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

**CENTERSTONE OF TENNESSEE, INC.**

Employer identification number

**62-1674308**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the

organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
☐ Preservation of land for public use (e.g., recreation or pleasure) ☐ Preservation of an historically important land area  
☐ Protection of natural habitat ☐ Preservation of certified historic structure  
☐ Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06 .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? .....

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 .....

(ii) Assets included in Form 990, Part X .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 .....

b Assets included in Form 990, Part X .....



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
 b ☐ Scholarly research  
 c ☐ Preservation for future generations  
 d ☐ Loan or exchange programs  
 e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4627571.				
b Contributions	1029802.				
c Investment earnings or losses					
d Grants or scholarships	873,794.				
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	4783579.				

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ☒ 100.00 %  
 b Permanent endowment ☒ .00 %  
 c Term endowment ☒ .00 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	X
(ii) related organizations	3a(ii)	X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		2,956,557.		2,956,557.
b Buildings		24,463,551.	9,957,695.	14,505,856.
c Leasehold improvements		755,508.	509,456.	246,052.
d Equipment		17,493,648.	10,796,464.	6,697,184.
e Other		3,109,152.		3,109,152.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				27,514,801.

Schedule D (Form 990) 2008

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products .....		
Closely-held equity interests .....		
Other .....		
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶		

(a) Description of Investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) should equal Form 990, Part X, col (B) line 13.) ▶		

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col (B) line 15.)	

(a) Description of liability	(b) Amount
Federal income taxes	
<b>ESTIMATED THIRD PARTY SETTLEMENT</b>	<b>2,196,750.</b>
<b>Total. (Column (b) should equal Form 990, Part X, col (B) line 25.)</b>	<b>2,196,750.</b>

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12-23-08

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

**PART V, LINE 4: THE TEMPORARY RESTRICTED NET ASSETS ARE AVAILABLE FOR**

**THE FOLLOWING PURPOSES: DEDE WALLACE CAMPUS, CAFS PROGRAM, UNMET NEEDS, SE MIDDLE TN PROGRAM, AND RESEARCH.**

**PART X: FOOTNOTE TO THE ORGANIZATION'S FINANCIAL STATEMENTS**

**THAT REPORTS THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS**

**UNDER FIN 48 SUPERSEDED BY FASB CODIFICATION: THE INCOME TAX TOPIC OF THE**

**FASB ASC CLARIFIES ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED**

**Part XIV** Supplemental Information (continued)

STATES OF AMERICA FOR RECOGNITION, MEASUREMENT, PRESENTATION AND DISCLOSURE RELATING TO UNCERTAIN TAX POSITIONS. IT APPLIES TO BUSINESS ENTERPRISES, NOT-FOR-PROFIT ENTITIES, AND PASS-THROUGH ENTITIES, SUCH AS S CORPORATIONS AND LIMITED LIABILITY COMPANIES. AS PERMITTED, THE CENTER ELECTED TO DEFER APPLICATION UNTIL ISSUANCE OF ITS JUNE 30, 2010 FINANCIAL STATEMENTS. FOR FINANCIAL STATEMENTS COVERING PERIODS PRIOR TO FISCAL YEAR 2010, THE CENTER EVALUATES UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH EXISTING ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND MAKES SUCH ACCRUALS AND DISCLOSURES AS MIGHT BE REQUIRED THERE UNDER.

PART XI, XII, AND XIII ARE NOT REQUIRED AS THE ORGANIZATION IS PART OF A CONSOLIDATED FINANCIAL STATEMENT AND HAD CHECKED FORM 990, PART IV, LINE 12 NO. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTING FIRM AND PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.**

OMB No. 1545-0047

# 2008

**Open To Public Inspection**

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

<b>Part I</b>	<b>Fundraising Activities.</b> Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
---------------	---

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations  
b ☐ Email solicitations  
c ☐ Phone solicitations  
d ☐ In-person solicitations  
e ☐ Solicitation of non-government grants  
f ☐ Solicitation of government grants  
g ☐ Special fundraising events

- 2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

- b. If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

[illegible]

Total

- 3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events (Add col. (a) through col. (c))
		GINGERBREAD WORLD (event type)	GIVING CARD (event type)	NONE (total number)	
Revenue	1 Gross receipts .....	43,010.	26,685.		69,695.
	2 Less: Charitable contributions .....				
	3 Gross revenue (line 1 minus line 2) .....	43,010.	26,685.		69,695.
Direct Expenses	4 Cash prizes .....				
	5 Non-cash prizes .....				
	6 Rent/facility costs .....				
	7 Other direct expenses .....	7,867.	9,139.		17,006.
	8 Direct expense summary. Add lines 4 through 7 in column (d) .....				( 17,006. )
	9 Net income summary. Combine lines 3 and 8 in column (d) .....				52,689.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue .....				
	2 Cash prizes .....				
	3 Non-cash prizes .....				
	4 Rent/facility costs .....				
	5 Other direct expenses .....				
Direct Expenses	6 Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) .....				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) .....				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? \_\_\_\_\_

b If "No," Explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? \_\_\_\_\_

b If "Yes," Explain: \_\_\_\_\_

11 Does the organization operate gaming activities with nonmembers? \_\_\_\_\_

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? \_\_\_\_\_

	Yes	No
9a		
10a		
11		
12		

**13** Indicate the percentage of gaming activity operated in:

- |                               | 13a | % |
|-------------------------------|-----|---|
| a The organization's facility |     |   |
| b An outside facility         | 13b | % |

**14** Provide the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a** \_\_\_\_\_

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_.

## c If "Yes," enter name and address:

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

**16** Gaming manager information:

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? \_\_\_\_\_

- b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

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

Department of the Treasury  
Internal Revenue Service

**Transactions with Interested Persons**

▶ Attach to Form 990 or Form 990-EZ.

▶ To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, lines 38a or 40b.

OMB No. 1545-0047

**2008**

Open To Public  
Inspection

Name of the organization

**CENTERSTONE OF TENNESSEE, INC.**

Employer identification number

**62-1674308**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ..... ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ..... ▶ \$

**Part II Loans to and/or From Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No

Total ..... ▶ \$

**Part III Grants or Assistance Benefiting Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

**Part IV Business Transactions Involving Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
DAVID PAINE	FORMER BOARD MEMBER	105,018.	PROVIDED MA		X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule L (Form 990 or 990-EZ) 2008

SEE SCHEDULE O FOR SCHEDULE L CONTINUATIONS



**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

SERVICES THE OPPORTUNITY FOR RECOVERY AND HEALTH THROUGH THE  
AVAILABILITY OF RESEARCH-BASED MENTAL HEALTH AND ADDICTIONS TREATMENT,  
TECHNOLOGY AND EDUCATION. WE PROVIDE THESE SERVICES ON A LIFE-SPAN  
CONTINUUM - MEETING THE OFTEN COMPLEX TREATMENT NEEDS OF PRESCHOOL  
AGED CHILDREN THROUGH AN EXPANDING LATE AGE ADULT POPULATION.

**FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:**

CENTERSTONE'S RESEARCH EFFORTS ARE DEDICATED TO IMPROVING HEALTH CARE  
DELIVERY THROUGH THE MELDING OF RESEARCH AND INFORMATION TECHNOLOGY.  
CENTERSTONE'S DEVELOPMENT ACTIVITIES CONSTITUTE AN ARRAY OF ACTIVITIES  
THAT SUPPORT BOTH ITS "FRIEND" AND "FUND" DEVELOPMENT" ACTIVITIES.  
THROUGH ITS ANNUAL/SUSTAINING FUND DRIVE, ITS DIRECT MAIL SOLICITATION,  
ITS CORPORATE AND PUBLIC GRANT SOLICITATION, ITS MAJOR GIFT ASKS, AND  
ITS TARGETED SPECIAL EVENTS FUND RAISING ACTIVITIES. SUPPORT STAFF  
ENHANCE THE ORGANIZATION'S OVERALL CLIENT CARE ACTIVITIES BY  
CONTINUOUSLY IMPROVING BOTH "FRONT" AND "BACK" OFFICE PROCESSES  
RESULTING IN IMPROVED ACCESS, APPOINTMENT SETTING, APPOINTMENT  
RESCHEDULING, FEE COLLECTIONS, AND PAYER ELIGIBILITY VERIFICATION.  
EXPENSES \$ 7781586. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

**FORM 990, PART VI, SECTION A, LINE 6: THE SOLE MEMBER OF THE ORGANIZATION  
IS CENTERSTONE OF AMERICA, AN INDIANA NONPROFIT CORPORATION.**

**FORM 990, PART VI, SECTION A, LINE 7A: THE SOLE MEMBER SHALL BE ENTITLED  
TO APPOINT AT LEAST ONE BOARD DIRECTOR AS SPECIFIED IN THE BYLAWS OF THE**

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

CORPORATION.

FORM 990, PART VI, SECTION A, LINE 7B: THE FOLLOWING DECISIONS ARE TO BE RATIFIED BY THE SOLE MEMBER PRIOR TO ACTION: FORMATION OR ACQUISITION OF LEGAL ENTITIES BY THE CORPORATION; AMENDMENT OF THE CHARTER OR BYLAWS OF THE CORPORATION; APPROVAL, ACCEPTANCE, AMENDMENT OR TERMINATION OF CONTRACTS OF THE CORPORATION TO PROVIDE SERVICES OUTSIDE THE HISTORICAL LINES OF BUSINESS OR SERVICES ENGAGED IN BY THE CORPORATION; AND ADOPTION AND AMENDMENT OF THE STATEMENT OF THE MISSION OF THE CORPORATION.

FORM 990, PART VI, SECTION A, LINE 10: THE PROCESS OF REVIEWING THE FORM 990 ENTAILS A DETAILED REVIEW OF THE FORM 990 BY THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER, CHIEF ADMINISTRATIVE OFFICER, CORPORATE CONTROLLER AND THE BOARD OF CENTERSTONE OF AMERICA. THE FORM 990 INCLUDING REQUESTED SCHEDULES, AS ULTIMATELY FILED WITH THE IRS, ARE PROVIDED ELECTRONICALLY TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C: THE WRITTEN CONFLICT OF INTEREST POLICY OF THE BOARD OF DIRECTORS IS REGULARLY AND CONSISTENTLY MONITORED AND COMPLIANCE ENFORCED BY THE BOARD CHAIRPERSON. THE WRITTEN CONFLICT OF INTEREST POLICY WHICH APPLIES TO ALL STAFF IS CONTAINED IN THE HUMAN RESOURCE POLICIES. ALL STAFF MUST CONFIRM THEY HAVE READ AND UNDERSTAND ALL POLICIES. A SELF DISCLOSURE FROM COVERED PERSONS IS REQUIRED ON ANY POTENTIAL CONFLICTS OF INTEREST

FORM 990, PART VI, SECTION B, LINE 15: IN EARLY FEBRUARY OF 2008,

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**  
Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number  
62-1674308

ANTICIPATING A PENDING MERGER OF CENTERSTONE WITH THE CENTER FOR BEHAVIORAL HEALTH AND QUINCO MENTAL HEALTH SERVICES, THE CENTERSTONE BOARD OF DIRECTORS ASSIGNED A SPECIAL CEO COMPENSATION COMMITTEE TO COMMISSION A SALARY SURVEY AND RECOMMEND BACK TO THE BOARD ON A NEW CONTRACT CONTINGENT FOR THE CENTERSTONE CEO COGNIZANT OF THE PLAN TO HAVE THE CENTERSTONE CEO SERVE AS THE CEO OF THE POST MERGER ENTERPRISE.

THE THREE MEMBER COMMITTEE, CHAIRED BY THE CENTERSTONE BOARD CHAIR, AND CONSISTING OF A RECENTLY RETIRED HEALTH CARE EXECUTIVE AND A PRACTICING ATTORNEY, INITIATED AN EXPLORATION OF CONSULTANTS TO ENGAGE IN THIS ENDEAVOR. AFTER EXAMINING A NUMBER OF POTENTIAL CONSULTANTS, THE COMMITTEE CONTRACTED WITH THE MEYERS GROUP ON MARCH 23, 2008. THE MEYERS GROUP IS A MARYLAND BASED CONSULTING FIRM WITH EXTENSIVE EXPERIENCE IN ASSISTING NOT-FOR-PROFIT COMMUNITY MENTAL HEALTH CENTER BOARD'S WITH BOTH CEO RECRUITMENT AS WELL AS OTHER CEO RELATED BOARD CONSULTATION INCLUDING THE AREA OF NOT-FOR-PROFIT CEO COMPENSATION. THE MEYERS GROUP RECEIVED HIGH MARKS FROM EACH OF THE REFERENCES THE COMMITTEE MEMBERS CONTACTED. IN ADDITION THE MEYERS GROUP WAS ENGAGED BY AND ACCOUNTABLE TO THE BOARD OF DIRECTORS, NOT THE CEO.

THE ASSIGNMENT TO THE MEYERS GROUP WAS TO CONDUCT AN ASSESSMENT OF THE BEHAVIORAL HEALTH MARKETPLACE WITH THE EXPRESSED PURPOSE OF UNDERSTANDING THE COMPENSATION ARRANGEMENTS THAT EXIST FOR CEOS OF ORGANIZATIONS THAT MIGHT BE COMPARABLE TO CENTERSTONE. THE FRAMEWORK FOR THIS ASSESSMENT WAS TO BE MINDFUL OF THE FOLLOWING FACTORS IN REVIEWING THE MARKET, AS WELL AS IN THE SUBMISSION OF RECOMMENDATIONS TO THE BOARD AS THEY CONSIDER A COMPENSATION PACKAGE FOR ITS CEO, SHOULD CENTERSTONE'S MERGER PLANS BE EXECUTED. THESE FACTORS WERE: MAINTAINING A FOCUS ON "MISSION-DRIVEN"

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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OMB No. 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

ORGANIZATIONS IN THE NOT-FOR-PROFIT MARKETPLACE; INSURING THAT THE  
COMPENSATION ARRANGEMENT IS COMPETITIVE SO AS TO ASSURE A LONG TERM  
RELATIONSHIP MAY EXIST IF THAT IS THE ON-GOING INTENT OF BOTH PARTIES;  
INSURING THAT THE AGREEMENT FEELS APPROPRIATE IN TERMS OF ITS  
"REASONABLENESS" (THAT IS, CAN IT BE SUPPORTED AS BEING APPROPRIATE IN THE  
EYES OF A PUBLIC REVIEW); INSURING THAT AGREEMENT ALSO BE DESIGNED IN A WAY  
TO RECOGNIZE THE VERY UNIQUE NATURE OF THE UPCOMING MERGER AND THE  
EXTRAORDINARY LEADERSHIP THAT HAS BEEN AND WILL CONTINUE TO BE NECESSARY TO  
LEAD CENTERSTONE OF AMERICA AS IT MOVES FORWARD POST-MERGER.

SCOPE OF WORK: THE MEYERS GROUP SOUGHT TO GATHER AS MUCH PERTINENT  
COMPENSATION INFORMATION AS POSSIBLE FROM A VARIETY OF SECTORS IN THE  
BEHAVIORAL HEALTH MARKETPLACE. THE MEYERS GROUP ALSO SOUGHT TO GATHER  
INFORMATION ABOUT TOTAL COMPENSATION PACKAGES IN ADDITION TO BASE  
COMPENSATION AGREEMENTS. THEIR SOURCES OF DATA INCLUDED: EVALUATION OF IRS  
PUBLIC DOCUMENTS (990S) FOR COMMUNITY MENTAL HEALTH CENTERS (CMHCS) AND  
OTHER LARGE HUMAN SERVICE PROVIDER SYSTEMS (ADJUSTED FOR 2008 COST OF  
LIVING CHANGES SINCE MOST 990S AVAILABLE ARE FROM CALENDAR YEAR 2006);  
CONSIDERATION OF COMPENSATION ARRANGEMENTS DEVELOPED WITH CEOS OF CMHCS  
THROUGH CONDUCTING PERSONAL INTERVIEWS WITH AS MANY CEOS AS POSSIBLE IN  
THIS TIME FRAME (THE MEYERS GROUP ACTUALLY CONDUCTED 15 SUCH INTERVIEWS  
WITH CEOS OF COMPARABLE ORGANIZATIONS); REVIEWING DATA THAT WOULD BE  
AVAILABLE FOR OTHER MARKET SEGMENTS IN THE BEHAVIORAL HEALTH MARKET,  
INCLUDING HOSPITALS AND MULTI-STATE PROVIDERS; BASED ON AN ANALYSIS OF THE  
DATA AVAILABLE THROUGH INTERVIEWS AND PUBLIC DOCUMENTS, AS WELL AS  
INFORMATION AVAILABLE TO THE MEYERS GROUP AS A RESULT OF ITS PREVIOUS WORK

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

832211  
12-18-08

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

WITH BOARDS OF DIRECTORS OF CMHCS, PROVIDED THE CENTERSTONE BOARD WITH IDEAS TO CONSIDER TO BE ABLE TO OFFER MR. GUTH A COMPREHENSIVE AND COMPETITIVE TOTAL COMPENSATION PACKAGE THAT WILL ASSURE CONTINUITY FOR THE ORGANIZATION.

AIDED BY THE MEYERS GROUP REPORT AND BY CORPORATE COUNSEL, THE CEO COMPENSATION COMMITTEE CRAFTED AN AGREEMENT THAT SHOULD THE CEO EARN THE MAXIMUM PERFORMANCE COMPENSATION, WOULD PLACE HIS TOTAL COMPENSATION (INCLUSIVE OF SALARY, GENERAL BENEFITS, AND SPECIAL BENEFITS) AT THE 90% OF CEO TOTAL COMPENSATION FOR NOT-FOR-PROFIT ORGANIZATIONS OF COMPARABLE SIZE AND NATURE.

THIS AGREEMENT WAS APPROVED BY THE FULL BOARD OF DIRECTORS OF CENTERSTONE ON MARCH 25, 2008, WAS SUBMITTED TO THE TN ATTORNEY GENERAL FOR REVIEW PENDING THE AFFILIATION, AND WAS REVIEWED IN CLOSED SESSION BY THE CENTERSTONE OF AMERICA BOARD AT ITS FIRST CALLED MEETING ON JUNE 26TH OF 2008.

FORM 990, PART VI, SECTION C, LINE 19: THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE NOT AVAILABLE FOR PUBLIC INSPECTION.

PART XI, LINE 2B

AUDITED FINANCIAL STATEMENTS

THE ORGANIZATION HAS ANSWERED NO TO PART XI, LINE 2B AS DIRECTED BY THE 990 INSTRUCTIONS. THE ORGANIZATION IS PART OF A CONSOLIDATED FINANCIAL

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

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2008

Open to Public  
Inspection

Name of the organization

CENTERSTONE OF TENNESSEE, INC.

Employer identification number

62-1674308

STATEMENT. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN  
INDEPENDENT ACCOUNTING FIRM AND PREPARED IN ACCORDANCE WITH GENERAL  
ACCEPTED ACCOUNTING PRINCIPLES.

PART XI, LINE 2C

OVERSIGHT OF THE AUDIT

THE BOARD OF DIRECTORS ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE  
AUDIT OF THE FINANCIAL STATEMENTS AND NO PROCESSES HAVE CHANGED FROM  
PRIOR YEAR.

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DAVID PAINE

(D) DESCRIPTION OF TRANSACTION: PROVIDED MARKETING SERVICES TO THE  
ORGANIZATION

FORM 990, SCHEDULE A, PAGE 1, LINE 3

REASON FOR PUBLIC CHARITY STATUS

CENTERSTONE OF TENNESSEE, INC. WAS DETERMINED TO BE EXEMPT FROM FEDERAL  
INCOME TAX UNDER SECTION 170(B)(1)(III). HOWEVER, THE ORGANIZATION HAS  
NOT BEEN LICENSED AS A HOSPITAL BY THE STATE OF TENNESSEE AND IS NOT  
REQUIRED TO COMPLETE SCHEDULE H.

Name of the organization

**CENTERSTONE OF TENNESSEE, INC.**

Employer identification number  
62-1674308

## Part I · Identification of Disregarded Entities

[illegible]

## Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
ADVANTAGE BEHAVIORAL HEALTH - 20-1590169					
111101 SIXTH AVENUE	BILLING AND ADMINISTRATIVE				
NASHVILLE, TN 37208	SERVICES	TENNESSEE	501C3	LINE 9	N/A
CENTERSTONE ENDOWMENT TRUST - 62-6381986					
11101 SIXTH AVENUE	SUPPORT CENTERSTONE OF				
NASHVILLE, TN 37208	TENNESSEE	TENNESSEE	501C3	LINE 11B	N/A
CUMBERLAND HOLDING CORP - 62-1234354					
11101 SIXTH AVENUE					
NASHVILLE, TN 37208	PROVIDE HUD HOUSING	TENNESSEE	501C3	LINE 7	N/A
CENTERSTONE HOUSING RESOURCES - 30-0181963					
111101 SIXTH AVENUE					
NASHVILLE, TN 37208	OWN AND OPERATE GROUP HOMES	TENNESSEE	501C3	LINE 11C	N/A

**LHA** For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008





**Part V Transactions With Related Organizations**

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (iii) annuities (iv) royalties (v) rent from a controlled entity		<input checked="" type="checkbox"/>
b Gift, grant, or capital contribution to other organization(s)		<input checked="" type="checkbox"/>
c Gift, grant, or capital contribution from other organization(s)	<input checked="" type="checkbox"/>	
d Loans or loan guarantees to or for other organization(s)		<input checked="" type="checkbox"/>
e Loans or loan guarantees by other organization(s)		<input checked="" type="checkbox"/>
f Sale of assets to other organization(s)		<input checked="" type="checkbox"/>
g Purchase of assets from other organization(s)		<input checked="" type="checkbox"/>
h Exchange of assets		<input checked="" type="checkbox"/>
i Lease of facilities, equipment, or other assets to other organization(s)		<input checked="" type="checkbox"/>
j Lease of facilities, equipment, or other assets from other organization(s)		<input checked="" type="checkbox"/>
k Performance of services or membership or fundraising solicitations for other organization(s)		<input checked="" type="checkbox"/>
l Performance of services or membership or fundraising solicitations by other organization(s)	<input checked="" type="checkbox"/>	
m Sharing of facilities, equipment, mailing lists, or other assets	<input checked="" type="checkbox"/>	
n Sharing of paid employees	<input checked="" type="checkbox"/>	
o Reimbursement paid to other organization for expenses	<input checked="" type="checkbox"/>	
p Reimbursement paid by other organization for expenses		<input checked="" type="checkbox"/>
q Other transfer of cash or property to other organization(s)		<input checked="" type="checkbox"/>
r Other transfer of cash or property from other organization(s)		<input checked="" type="checkbox"/>

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) CENTERSTONE ENDOWMENT TRUST	C	300,000.
(2) RELATED ENTITIES:		
(3) CENTERSTONE OF INDIANA, INC.	O	1,511,956.
(4) CENTERSTONE OF AMERICA, INC.	O	0.
(5) ADVANTAGE BEHAVIORAL HEALTH, INC.	O	0.
(6) CENTERSTONE HOUSING RESOURCES, INC.	O	0.



**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
CENTERSTONE OF AMERICA - 20-0072992					
1101 SIXTH AVENUE	HOLDING COMPANY FOR				CONTROLLED BY
NASHVILLE, TN 37208	CENTERSTONE OF TENNESSEE	INDIANA	501C3	LINE 9	CENTERSTONE OF AMERICA
CENTERSTONE OF INDIANA - 35-1147323					
1101 SIXTH AVENUE	PROVIDE MENTAL HEALTH				CONTROLLED BY
NASHVILLE, TN 37208	SERVICES	INDIANA	501C3	LINE 7	CENTERSTONE OF AMERICA
CENTERSTONE RESEARCH INSTITUTE - 26-2505456					
1101 SIXTH AVENUE	RESEARCH RELATED TO MENTAL				CONTROLLED BY
NASHVILLE, TN 37208	HEALTH	INDIANA	501C3	LINE 7	CENTERSTONE OF AMERICA
VANTAGE POINT - 20-0194682	OUTPATIENT MENTAL HEALTH				CONTROLLED BY
1101 SIXTH AVENUE	AND SUBSTANCE ABUSE				CENTERSTONE OF AMERICA
NASHVILLE, TN 37208	COUNSELING	INDIANA	501C3	LINE 9	CENTERSTONE OF AMERICA
JOHNSON NICHOLS HEALTH CLINIC - 35-1270418					
1101 SIXTH AVENUE	PROVIDE HEALTHCARE FOR				CONTROLLED BY
NASHVILLE, TN 37208	AT-RISK PERSONS	INDIANA	501C3	PUBLIC CHARITY	CENTERSTONE OF AMERICA
CENTERSTONE FOUNDATION (FORMERLY CBH					
FOUNDATION) - 26-1186476 1101 SIXTH AVENUE					CONTROLLED BY
NASHVILLE, TN 37208	FUNDRAISING	INDIANA	501C3	LINE 11A	CENTERSTONE OF INDIANA
MAPLEVIEW, INC - 35-1876232					
1101 SIXTH AVENUE	PROVIDE LOW INCOME HOUSING				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	LINE 9	CENTERSTONE OF INDIANA
CEDAR VIEW, INC - 35-1943874					
1101 SIXTH AVENUE	PROVIDE LOW INCOME HOUSING				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	LINE 9	CENTERSTONE OF INDIANA
OAKVIEW, INC - 35-1942794					
1101 SIXTH AVENUE	PRIVATE FOUNDATION				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	FOUNDATION	CENTERSTONE OF INDIANA
ASPEN HOUSE, INC. - 35-1925610					
1101 SIXTH AVENUE	PROVIDE LOW INCOME HOUSING				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	LINE 9	CENTERSTONE OF INDIANA
INDIANA HOUSE, INC. - 35-1942793					
1101 SIXTH AVENUE	PROVIDE LOW INCOME HOUSING				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	LINE 9	CENTERSTONE OF INDIANA
PINEVIEW, INC - 35-2129307					
1101 SIXTH AVENUE	PROVIDE LOW INCOME HOUSING				CONTROLLED BY
NASHVILLE, TN 37208		INDIANA	501C3	LINE 9	CENTERSTONE OF INDIANA
	PROVIDE LOW INCOME HOUSING	INDIANA	501C3	LINE 9	CONTROLLED BY
					CENTERSTONE OF INDIANA



Form **8868**

(Rev. April 2009)

Department of the Treasury  
Internal Revenue Service**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
  - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete **Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization	Employer identification number
	CENTERSTONE OF TENNESSEE, INC.	62-1674308
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	
	P.O. BOX 40406	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NASHVILLE, TN 37204-0406	

Check type of return to be filed (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

**JULIE SPEARS**

- The books are in the care of ► 1101 6TH AVENUE NORTH - NASHVILLE, TN 37208

Telephone No. ► 615-463-6661

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)         . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until FEBRUARY 15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year          or► ☒ tax year beginning JUL 1, 2008, and ending JUN 30, 2009.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c <b>Balance Due.</b> Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ <u>N/A</u>

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

<b>Part II</b>		<b>Additional (Not Automatic) 3-Month Extension of Time.</b> Only file the original (no copies needed).	
Type or print  File by the extended due date for filing the return. See instructions.	Name of Exempt Organization		Employer identification number
	CENTERSTONE OF TENNESSEE, INC.		62-1674308
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 40406		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NASHVILLE, TN 37204-0406		

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990   
 ☐ Form 990-EZ   
 ☐ Form 990-T (sec. 401(a) or 408(a) trust)   
 ☐ Form 1041-A   
 ☐ Form 5227   
 ☐ Form 8870  
☐ Form 990-BL   
☐ Form 990-PF   
☐ Form 990-T (trust other than above)   
☐ Form 4720   
☐ Form 6069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

### JULIE SPEARS

- The books are in the care of **1101 6TH AVENUE NORTH - NASHVILLE, TN 37208**

Telephone No. **615-463-6661**

FAX No. \_\_\_\_\_

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **MAY 15, 2010**
- 5 For calendar year \_\_\_\_\_, or other tax year beginning **JUL 1, 2008**, and ending **JUN 30, 2009**
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension

**MORE TIME IS NEEDED IN ORDER TO GATHER INFORMATION TO PREPARE A COMPLETE AND ACCURATE RETURN.**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ N/A

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **\_\_\_\_\_**

Title **CPA/AGENT**

Date **\_\_\_\_\_**