

**Eddy & Eddy, CPAs, PC**  
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May 7, 2008

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.  
418 N. STATE OF FRANKLIN ROAD  
JOHNSON CITY, TN 37604

Dear Client,

Enclosed is the 2007 U.S. Form 990, Return of Organization Exempt from Income Tax, for SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC..

The return should be signed and dated by an authorized officer or fiduciary and mailed on or before August 15, 2008 to:

Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0027

We very much appreciate the opportunity to serve you. If you have any questions regarding this return, please do not hesitate to call.

Sincerely,

MICHAEL F. EDDY

**2007 Exempt Organization Business Tax Return**

prepared for:

**SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.**  
418 N. STATE OF FRANKLIN ROAD  
JOHNSON CITY, TN 37604

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418 N. STATE OF FRANKLIN ROAD  
JOHNSON CITY, TN 37604

Department of the Treasury  
Internal Revenue Service Center  
Ogden, UT 84201-0027

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SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.  
418 N. STATE OF FRANKLIN ROAD  
JOHNSON CITY, TN 37604

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)

2007

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

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

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

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

C Name of organization: SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC. 418 N. STATE OF FRANKLIN ROAD JOHNSON CITY TN 37604

D Employer Identification Number: 62-1578123 E Telephone number: (423) 975-5437 F Accounting method: Accrual

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

- H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If 'Yes,' enter number of affiliates H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number M Check if the organization is not required to attach Schedule B

G Web site: N/A

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 537,977.

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, and Total. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Net rental income, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit), Net assets at beginning, Other changes, Net assets at end.

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b>				
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>				
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>				
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A <i>See L-25a Stmt</i>	<b>25a</b>	55,134.	19,297.	19,297.	16,540.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	<b>25b</b>				
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	<b>25c</b>				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b>	88,188.	51,105.	17,533.	19,550.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b>				
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b>	18,611.	10,608.	4,467.	3,536.
<b>29</b> Payroll taxes	<b>29</b>	10,015.	4,307.	4,206.	1,502.
<b>30</b> Professional fundraising fees	<b>30</b>				
<b>31</b> Accounting fees	<b>31</b>	8,115.	0.	8,115.	0.
<b>32</b> Legal fees	<b>32</b>				
<b>33</b> Supplies	<b>33</b>	19,725.	19,725.	0.	0.
<b>34</b> Telephone	<b>34</b>	8,639.	1,728.	5,615.	1,296.
<b>35</b> Postage and shipping	<b>35</b>	2,584.	1,292.	1,292.	0.
<b>36</b> Occupancy	<b>36</b>				
<b>37</b> Equipment rental and maintenance	<b>37</b>				
<b>38</b> Printing and publications	<b>38</b>				
<b>39</b> Travel	<b>39</b>	5,952.	0.	5,952.	0.
<b>40</b> Conferences, conventions, and meetings	<b>40</b>	8,203.	0.	8,039.	164.
<b>41</b> Interest	<b>41</b>				
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b>	41,986.	40,307.	1,679.	0.
<b>43</b> Other expenses not covered above (itemize):					
<b>a</b> <u>INSURANCE</u>	<b>43a</b>	20,695.	6,208.	14,487.	0.
<b>b</b> <u>UTILITIES</u>	<b>43b</b>	19,435.	18,852.	583.	0.
<b>c</b> <u>ADVERTISING/NEWSLETTER</u>	<b>43c</b>	15,611.	0.	0.	15,611.
<b>d</b> <u>OFFICE SUPPLIES</u>	<b>43d</b>	4,211.	0.	3,495.	716.
<b>e</b> <u>GIFTS/MEMORIALS</u>	<b>43e</b>	1,240.	1,240.	0.	0.
<b>f</b> <u>FIRE SECURITY SYSTEM</u>	<b>43f</b>	1,953.	1,953.	0.	0.
<b>g</b> <u>See Other Expenses Stmt</u>	<b>43g</b>	51,599.	14,923.	16,652.	20,024.
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	<b>44</b>	381,896.	191,545.	111,412.	78,939.

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.



**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	<b>45</b> Cash — non-interest-bearing .....	524,265.	<b>45</b>	613,556.
	<b>46</b> Savings and temporary cash investments .....		<b>46</b>	
	<b>47a</b> Accounts receivable .....	<b>47a</b> 26,781.		
	<b>b</b> Less: allowance for doubtful accounts .....	<b>47b</b>	20,340.	<b>47c</b> 26,781.
	<b>48a</b> Pledges receivable .....	<b>48a</b>		
	<b>b</b> Less: allowance for doubtful accounts .....	<b>48b</b>		<b>48c</b>
	<b>49</b> Grants receivable .....			<b>49</b>
	<b>50a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule) .....			<b>50a</b>
	<b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) .....			<b>50b</b>
	<b>51a</b> Other notes and loans receivable (attach schedule) .....	<b>51a</b>		
	<b>b</b> Less: allowance for doubtful accounts .....	<b>51b</b>		<b>51c</b>
	<b>52</b> Inventories for sale or use .....	751.	<b>52</b>	751.
	<b>53</b> Prepaid expenses and deferred charges .....	3,572.	<b>53</b>	3,572.
	<b>54a</b> Investments — publicly-traded securities <b>L-54a Stmt</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV .....	589,347.	<b>54a</b>	640,698.
	<b>b</b> Investments — other securities (attach sch) .....	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	<b>54b</b>	
<b>55a</b> Investments — land, buildings, & equipment: basis .....	<b>55a</b>			
<b>b</b> Less: accumulated depreciation (attach schedule) .....	<b>55b</b>		<b>55c</b>	
<b>56</b> Investments — other (attach schedule) .....			<b>56</b>	
<b>57a</b> Land, buildings, and equipment: basis .....	<b>57a</b> 1,457,832.			
<b>b</b> Less: accumulated depreciation (attach schedule) .....	<b>57b</b> 505,915.	976,733.	<b>57c</b> 951,917.	
<b>58</b> Other assets, including program-related investments (describe <b>▶</b> _____ ) .....			<b>58</b>	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58 .....	2,115,008.	<b>59</b>	2,237,275.	
<b>LIABILITIES</b>	<b>60</b> Accounts payable and accrued expenses .....	19,487.	<b>60</b>	24,931.
	<b>61</b> Grants payable .....		<b>61</b>	
	<b>62</b> Deferred revenue .....		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) .....		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) .....		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) .....		<b>64b</b>	
	<b>65</b> Other liabilities (describe <b>▶</b> _____ ) .....		<b>65</b>	
<b>66 Total liabilities.</b> Add lines 60 through 65 .....	19,487.	<b>66</b>	24,931.	
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	<b>67</b> Unrestricted .....	2,095,521.	<b>67</b>	2,212,344.
	<b>68</b> Temporarily restricted .....		<b>68</b>	
	<b>69</b> Permanently restricted .....		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds .....		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund .....		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>72</b>	
<b>73 Total net assets or fund balances.</b> Add lines 67 through 69 <b>or</b> lines 70 through 72. (Column (A) <b>must</b> equal line 19 and column (B) <b>must</b> equal line 21) .....	2,095,521.	<b>73</b>	2,212,344.	
<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....	2,115,008.	<b>74</b>	2,237,275.	

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	716,737.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12:		
	1 Net unrealized gains on investments	<b>b1</b>	14,488.
	2 Donated services and use of facilities	<b>b2</b>	210,178.
	3 Recoveries of prior year grants	<b>b3</b>	
	4 Other (specify): _____	<b>b4</b>	
	Add lines <b>b1</b> through <b>b4</b>	<b>b</b>	224,666.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>	<b>c</b>	492,071.
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :		
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>	
	2 Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b>	<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b>	<b>e</b>	492,071.

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

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	599,914.
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17:		
	1 Donated services and use of facilities	<b>b1</b>	195,985.
	2 Prior year adjustments reported on Part I, line 20	<b>b2</b>	
	3 Losses reported on Part I, line 20	<b>b3</b>	
	4 Other (specify): _____	<b>b4</b>	
	Add lines <b>b1</b> through <b>b4</b>	<b>b</b>	195,985.
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>	<b>c</b>	403,929.
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :		
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>	
	2 Other (specify): _____	<b>d2</b>	
	Add lines <b>d1</b> and <b>d2</b>	<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b>	<b>e</b>	403,929.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
ROWENA BAILEY 418 NORTH STATE OF FRANKLIN ROAD JOHNSON CITY, TN 37604	EXEC. DIRECTOR 40.00	55,134.	0.	0.
Jeff Anderson P.O. Box 1677 Johnson City TN 37605	Director 0.00	0.	0.	0.
William Bible 112 Mountcastle Drive Johnson City TN 37601	Director 0.00	0.	0.	0.
Jeff Brunson 139 Bob Clark Road Jonesborough TN 37659	Director 0.00	0.	0.	0.
Judie Camak P.O.Box 4628 Johnson City TN 37602	Director 0.00	0.	0.	0.
See List of Officers, Directors, Trustees, & Key Employees Statement				



Part VI Other Information (continued)		Yes	No
<b>82 a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? .....	X	
<b>b</b>	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) .....   <b>82 b</b>		
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications? .....	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? .....	X	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible? .....		X
<b>b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? .....		
<b>85 a</b>	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members? .....	N/A	
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? .....	N/A	
	If 'Yes' was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
<b>c</b>	Dues, assessments, and similar amounts from members .....	N/A	
<b>d</b>	Section 162(e) lobbying and political expenditures .....	N/A	
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices .....	N/A	
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e) .....	N/A	
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? .....	N/A	
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? .....	N/A	
<b>86</b>	501(c)(7) organizations. Enter: <b>a</b> Initiation fees and capital contributions included on line 12 .....	N/A	
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities .....	N/A	
<b>87</b>	501(c)(12) organizations. Enter: <b>a</b> Gross income from members or shareholders .....	N/A	
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) .....	N/A	
<b>88 a</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX .....		X
<b>b</b>	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI .....		X
<b>89 a</b>	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
<b>b</b>	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction .....		X
<b>c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 .....	0.	
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization .....	0.	
<b>e</b>	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? .....		X
<b>f</b>	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? .....		X
<b>g</b>	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? .....		X
<b>90 a</b>	List the states with which a copy of this return is filed ▶ See States Filed In .....		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.) .....	90 b	1
<b>91 a</b>	The books are in care of ▶ ROWENA BAILEY Telephone number ▶ (423) 975-5437 Located at ▶ 418 N. STATE OF FRANKLIN RD; JOHNSON CITY, TN ZIP + 4 ▶ 37604		
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? .....		X
	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.		

**Part VI Other Information (continued)**

Yes No

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

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

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

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

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings & temporary cash invmnts			3	25,990.	
<b>96</b> Dividends & interest from securities			3	32,628.	
<b>97</b> Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
<b>98</b> Net rental income or (loss) from pers prop					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory			3	4,245.	
<b>101</b> Net income or (loss) from special events			3	50,165.	
<b>102</b> Gross profit or (loss) from sales of inventory			3	60.	
<b>103</b> Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))				113,088.	
<b>105</b> Total (add line 104, columns (B), (D), and (E))					113,088.

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

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

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

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

N/A

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

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

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

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

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

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

N/A

Yes	No
-----	----

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

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

Yes	No
-----	----

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

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

Yes	No
-----	----

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

**Please Sign Here**

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

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

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

<b>Paid Preparer's Use Only</b>	Preparer's signature: <b>MICHAEL F. EDDY</b>	Date: <b>05/07/08</b>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X)
	Firm's name (or yours if self-employed), address, and ZIP + 4: <b>Eddy &amp; Eddy, CPAs, PC</b> <b>4718 Lake Park Drive, Suite 1</b> <b>Johnson City TN 37615</b>	EIN: _____	Phone no.: <b>(423) 283-0777</b>	

BAA

Form 990 (2007)

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

Department of the Treasury  
Internal Revenue Service

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

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

**Supplementary Information — (See separate instructions.)**

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

OMB No. 1545-0047

**2007**

Name of the organization <b>SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.</b>	Employer identification number <b>62-1578123</b>
---	---

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	None			

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

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

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

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

Part III Statements About Activities (See instructions.)	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities . . . . ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) . . . . .	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property? . . . . .	2a	X
b Lending of money or other extension of credit? . . . . .	2b	X
c Furnishing of goods, services, or facilities? . . . . .	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	See Part V, Form 990	
e Transfer of any part of its income or assets? . . . . .	2d	X
<b>3a</b> Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . .	2e	X
<b>3a</b> Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.) . . . . .	3a	X
<b>3b</b> Did the organization have a section 403(b) annuity plan for its employees? . . . . .	3b	X
<b>3c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement . . . . .	3c	X
<b>3d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .	3d	X
<b>4a</b> Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g . . . . .	4a	X
<b>4b</b> Did the organization make any taxable distributions under section 4966? . . . . .	4b	
<b>4c</b> Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .	4c	
<b>d</b> Enter the total number of donor advised funds owned at the end of the tax year . . . . . ▶ _____		
<b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . . . . ▶ _____		
<b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts . . . . . ▶ _____		0
<b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year . . . ▶ _____		0.

**Part IV Reason for Non-Private Foundation Status** (See instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ -----
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ▶  
 Type I     Type II     Type III-Functionally Integrated     Type III-Other

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

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

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

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .	353,922.	351,744.	390,749.	279,965.	1,376,380.
<b>16</b> Membership fees received . . . . .					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc. purpose . . . . .	6,924.	9,951.	6,272.	6,713.	29,860.
<b>18</b> Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .	41,808.	28,718.	14,913.	9,157.	94,596.
<b>19</b> Net income from unrelated business activities not included in line 18 . . . . .					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .					
<b>23</b> Total of lines 15 through 22 . . . . .	402,654.	390,413.	411,934.	295,835.	1,500,836.
<b>24</b> Line 23 minus line 17 . . . . .	395,730.	380,462.	405,662.	289,122.	1,470,976.
<b>25</b> Enter 1% of line 23 . . . . .	4,027.	3,904.	4,119.	2,958.	
<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24 . . . . . ▶					<b>26a</b> 29,420.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts . . . . . ▶					<b>26b</b>
c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					<b>26c</b> 1,470,976.
d Add: Amounts from column (e) for lines: 18 <u>94,596.</u> 19 _____ 22 _____ 26b _____ . . . . . ▶					<b>26d</b> 94,596.
e Public support (line 26c minus line 26d total) . . . . . ▶					<b>26e</b> 1,376,380.
<b>f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . . ▶</b>					<b>26f</b> 93.57 %
<b>27 Organizations described on line 12:</b>					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ . . . . . ▶					<b>27c</b>
d Add: Line 27a total _____ and line 27b total _____ . . . . . ▶					<b>27d</b>
e Public support (line 27c total minus line 27d total) . . . . . ▶					<b>27e</b>
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) . . . . . ▶					<b>27f</b>
<b>g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶</b>					<b>27g</b> %
<b>h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶</b>					<b>27h</b> %

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

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

N/A

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

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

N/A

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

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

**4 -Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
 See the instructions for lines 45 through 50.)

	<b>Lobbying Expenditures During 4 -Year Averaging Period</b>				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount .....					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....					
<b>47</b> Total lobbying expenditures .....					
<b>48</b> Grassroots non-taxable amount .....					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) .....					
<b>50</b> Grassroots lobbying expenditures .....					

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

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

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
<b>a</b> Volunteers .....		X	
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .) .....		X	
<b>c</b> Media advertisements .....		X	
<b>d</b> Mailings to members, legislators, or the public .....		X	
<b>e</b> Publications, or published or broadcast statements .....		X	
<b>f</b> Grants to other organizations for lobbying purposes .....		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....		X	
<b>i</b> Total lobbying expenditures (add lines <b>c</b> through <b>h</b> .) .....			

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



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

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

**Supplementary Information for**  
**line 1 of Form 990, 990-EZ and 990-PF (see instructions)**

OMB No. 1545-0047

**2007**

<b>Name of organization</b> SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.	<b>Employer identification number</b> 62-1578123
---	---

**Organization type** (check one):

**Filers of:**

Form 990 or 990-EZ

**Section:**

- 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 \$5,000 or 2% of the amount on line 1 of these forms. (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** check the box in the heading of their Form 990, 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).

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, Form 990-EZ, and Form 990-PF.**

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization <b>SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.</b>	Employer identification number <b>62-1578123</b>
---	---

**Part I Contributors** (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Alpha Delta Pi, ETSU Chapter Attn: Philanthropy Chair P.O. Box 23027 Johnson City TN 37614	\$ 13,983.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
2	Alpha Natural Resources Attn: Donald Ratliff P.O. Box 2345 Abingdon VA 24212	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
3	Fair's Air Conditioning & Heating Attn: Steve Fair 2100 Kipping Street Johnson City TN 37601	\$ 22,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
4	Johnson City Iron & Metal Co Attn: Peter L. Nickels 110 Perma R Road Johnson City TN 37604	\$ 7,732.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
5	McDonald's Association of Tri-Cities, Inc Attn: Jess Carter 1145 Volunteer Pkwy., Ste. 1 Bristol TN 37620	\$ 24,851.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
6	Ronald McDonald House Charities, Inc One Kroc Drive - Dept 014 Oak Brook IL 60523	\$ 25,507.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>

Name of organization

Employer identification number

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

**Part I** Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	Shamrock Partnership D/B/A McDonald's Attn: Diane Washburn 4924 Ft Henry Drive, Ste. B Kingsport TN 37663	\$ 6,843.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	Speedway Children's Charities Attn: Randall Story P.O. Box 18747 Charlotte NC 28218	\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	Citadel Broadcasting/Tri-Cities P.O. Box 8668 Johnson City TN 37615	\$ 89,020.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	Charter Media/Tri-Cities 10453 Wallace Alley Kingsport TN 37663	\$ 59,261.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	Tempur Production USA, Inc 4700 Boone Trail Road - South Duffield VA 24244	\$ 13,293.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	Colonial Heights Pharmacy P.O. Box 5008 Kingsport TN 37663	\$ 15,171.	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

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

**Part II** Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
9	promotional spots	\$ 44,510.	10/15/07
9	promotional spots	\$ 44,510.	11/15/07
10	promotional spots	\$ 24,255.	03/01/07
10	promotional spots	\$ 13,201.	04/15/07
10	promotional spots	\$ 21,805.	11/10/07
11	7 sets queen mattress/box springs	\$ 13,293.	08/14/07

BAA

Name of organization

Employer identification number

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

**Part II** Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
12	house decor	\$ 15,171.	02/15/07
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----
_____	-----	\$ -----	-----

BAA

▶ Attach to return

Name SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.	Employer Identification Number 62-1578123
--	--

**Part I, Line 8, Column (A) Securities**

**Public Securities**

Description	Gross Sales Price	Basis	
Publicly Traded Securities	18,380.	Cost	14,135.
		Selling Expenses	
		Basis	14,135.

**Nonpublic Securities**

Description	Date Acquired and Method	Date Sold and to Whom	Gross Sales Price	Cost, other basis or FMV when donated (State which on top)
-----	-----	-----		-----
-----	-----	-----		-----
-----	-----	-----		-----
-----	-----	-----		-----

**Total Securities** ..... 18,380. 14,135.

**Gain or (Loss) from Sale of Securities** ..... 4,245.

**Part I, Line 8, Column (B) Other Assets**

Description	Date Acquired and Method	Date Sold and to Whom	Gross Sales Price	Cost, other basis or FMV when donated	
-----	-----	-----		Cost	_____
				Depreciation	_____
				Basis	_____
				Donation FMV	_____
-----	-----	-----		Cost	_____
				Depreciation	_____
				Basis	_____
				Donation FMV	_____
-----	-----	-----		Cost	_____
				Depreciation	_____
				Basis	_____
				Donation FMV	_____
-----	-----	-----		Cost	_____
				Depreciation	_____
				Basis	_____
				Donation FMV	_____

**Total Other Assets** .....

**Gain or (Loss) from Sale of Other Assets** .....

Name as Shown on Return <b>SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.</b>	Employer Identification No. <b>62-1578123</b>
--	--

**Compensation**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>ROWENA BAILEY</b>	<input type="checkbox"/>	55,134.	19,297.	19,297.	16,540.
<b>Jeff Anderson</b>	<input type="checkbox"/>	0.			
<b>William Bible</b>	<input type="checkbox"/>	0.			
<b>Jeff Brunson</b>	<input type="checkbox"/>	0.			
See Compensation					
Total Compensation Received .....		55,134.	19,297.	19,297.	16,540.

**Contributions to Employee Benefit Plans & Deferred Compensation Plans**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>ROWENA BAILEY</b>	<input type="checkbox"/>	0.			
<b>Jeff Anderson</b>	<input type="checkbox"/>	0.			
<b>William Bible</b>	<input type="checkbox"/>	0.			
<b>Jeff Brunson</b>	<input type="checkbox"/>	0.			
See Employee Benefit Plans & Deferred Compensation Plans					
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans .....		0.			

**Expense Account and Other Allowances**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>ROWENA BAILEY</b>	<input type="checkbox"/>	0.			
<b>Jeff Anderson</b>	<input type="checkbox"/>	0.			
<b>William Bible</b>	<input type="checkbox"/>	0.			
<b>Jeff Brunson</b>	<input type="checkbox"/>	0.			
See Expense Account and Other Allowances					
Total Expense Account and Other Allowances .....		0.			
Total to Part II, Line 25a ... ▶		55,134.	19,297.	19,297.	16,540.

Form 990, Page 2, Part II, Line 43

**Other Expenses Stmt**

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
DONOR RECOGNITION	1,832.	0.	0.	1,832.
COMPUTER EXPENSES	17,665.	109.	14,564.	2,992.
LICENSES	370.	0.	370.	0.
DUES & SUBSCRIPTIONS	1,718.	0.	1,718.	0.
MISCELLANEOUS	43.	43.	0.	0.
HOUSE EXPENSES	14,771.	14,771.	0.	0.
POP TAB EXPENSES	281.	0.	0.	281.
LOCAL HEARTS EXPENSES	12,676.	0.	0.	12,676.
RADIO-THON EXPENSES	2,243.	0.	0.	2,243.
Total	<u>51,599.</u>	<u>14,923.</u>	<u>16,652.</u>	<u>20,024.</u>

Form 990, Page 5, Part V-A

**List of Officers, Directors, Trustees, & Key Employees Statement**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Leonard Carver 351 Mountain View Road Bluff City TN 37618	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Billye Joyce Fine P.O.Box 309 Milligan College TN 37682	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Scott Folsom P.O. Box 1677 Johnson City TN 37605	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Keith Gilchrist 610 Hillcrest Drive Johnson City TN 37604	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Lynnis Hornsby 400 N State of Franklin Road Johnson City TN 37604	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Jeff Jones 541 Sid Martin Road Gray TN 37615	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ... <input checked="" type="checkbox"/> Jennifer Keller P.O. Box 3038 Johnson City TN 37602	Director 0.00	0.	0.	0.

Form 990, Page 5, Part V-A

Continued

**List of Officers, Directors, Trustees, & Key Employees Statement**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Jennifer McClellan P.O. Box 3966 Bristol TN 37625	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Dr. Sam Messimer 501 W Oakland Ave., Ste 3 Johnson City TN 3764	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Kevin Peters P.O. Box 3745 Johnson City TN 37602	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Frank Ray 2000 Waters Edge Dr, Bldg C, Ste 12 Johnson City TN 37604	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Angela Shrewsbury P.O. Box 1636 Johnson City TN 37605	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Debbie Davis Waltermire P.O. Box 511 Kingsport TN 37662	Director 0.00	0.	0.	0.
Business ... <input type="checkbox"/> Person ..... <input checked="" type="checkbox"/> Diane Washburn 4924 B Ft Henry Drive Kingsport TN 37663	Director 0.00	0.	0.	0.

Form 990. Part VI, Page 7, Line 90a

**States Filed In**

Tennessee \_\_\_\_\_  
Virginia \_\_\_\_\_  
Kentucky \_\_\_\_\_  
West Virginia \_\_\_\_\_

Form 990, Page 1, Part I, Line 9

**Special Events and Activities Statement**

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
GOLF TOURNAMENT	64,517.	10,000.	54,517.	17,215.	37,302.
ST PATRICK'S DAY	32,419.	5,000.	27,419.	14,556.	12,863.

Form 990, Page 1, Part I, Line 9

Continued

**Special Events and Activities Statement**

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Total	96,936.	15,000.	81,936.	31,771.	50,165.

Form 990, Page 1, Part I, Line 10

**Gross Sales of Inventory Statement**

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
SOUVENIR SALES	60.	0.	60.
Total	60.	0.	60.

Form 990, Page 1, Part I, Line 20

**Other Changes in Net Assets or Fund Balances**

Description	Amount
Net unrealized gains on investments	14,488.
Donated services and use of facilities	210,178.
Donated services and use of facilities	-195,985.
Total	28,681.

Form 990, Part II, Line 25a

**Compensation**

Compensation					
Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Judie Camak		0.			
Leonard Carver		0.			
Billye Joyce Fine		0.			
Scott Folsom		0.			
Keith Gilchrist		0.			
Lynnis Hornsby		0.			
Jeff Jones		0.			
Jennifer Keller		0.			
Jennifer McClellan		0.			
Dr. Sam Messimer		0.			
Kevin Peters		0.			
Frank Ray		0.			
Angela Shrewsbury		0.			
Debbie Davis Waltermire		0.			

Form 990, Part II, Line 25a

Continued

**Compensation**

<b>Compensation</b>					
Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Diane Washburn	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

**Employee Benefit Plans & Deferred Compensation Plans**

<b>Contributions to Employee Benefit Plans &amp; Deferred Compensation Plans</b>					
Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Judie Camak	<input type="checkbox"/>	0.			
Leonard Carver	<input type="checkbox"/>	0.			
Billye Joyce Fine	<input type="checkbox"/>	0.			
Scott Folsom	<input type="checkbox"/>	0.			
Keith Gilchrist	<input type="checkbox"/>	0.			
Lynnis Hornsby	<input type="checkbox"/>	0.			
Jeff Jones	<input type="checkbox"/>	0.			
Jennifer Keller	<input type="checkbox"/>	0.			
Jennifer McClellan	<input type="checkbox"/>	0.			
Dr. Sam Messimer	<input type="checkbox"/>	0.			
Kevin Peters	<input type="checkbox"/>	0.			
Frank Ray	<input type="checkbox"/>	0.			
Angela Shrewsbury	<input type="checkbox"/>	0.			
Debbie Davis Waltermire	<input type="checkbox"/>	0.			
Diane Washburn	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Part II, Line 25a

**Expense Account and Other Allowances**

<b>Expense Account and Other Allowances</b>					
Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Judie Camak	<input type="checkbox"/>	0.			
Leonard Carver	<input type="checkbox"/>	0.			
Billye Joyce Fine	<input type="checkbox"/>	0.			
Scott Folsom	<input type="checkbox"/>	0.			
Keith Gilchrist	<input type="checkbox"/>	0.			
Lynnis Hornsby	<input type="checkbox"/>	0.			
Jeff Jones	<input type="checkbox"/>	0.			

Form 990, Part II, Line 25a

Continued

**Expense Account and Other Allowances****Expense Account and Other Allowances**

Name	Chk if a Bus	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Jennifer Keller	<input type="checkbox"/>	0.			
Jennifer McClellan	<input type="checkbox"/>	0.			
Dr. Sam Messimer	<input type="checkbox"/>	0.			
Kevin Peters	<input type="checkbox"/>	0.			
Frank Ray	<input type="checkbox"/>	0.			
Angela Shrewsbury	<input type="checkbox"/>	0.			
Debbie Davis Waltermire	<input type="checkbox"/>	0.			
Diane Washburn	<input type="checkbox"/>	0.			
Total		<u>0.</u>			

Form 990, Page 4, Part IV, Line 54a

**Investments - Publicly-Traded Securities Statement**

Description	Cost or FMV	Beginning of Year	End of Year
SCHWAB OPERATIONS ACCOUNT	FMV	76,797.	0.
SCHWAB ENDOWMENT ACCOUNT	FMV	453,047.	493,222.
SCHWAB CAPITAL ACCOUNT	FMV	59,503.	147,476.
Total		<u>589,347.</u>	<u>640,698.</u>

**Supporting Statement of:**

Form 990 p 4/Line 67, column (A)

Description	Amount
BOARD DESIGNATED - OPEARATING RESERVE	76,797.
BOARD DESIGNATED - CAPITAL RESERVE	59,503.
BOARD DESIGNATED - ENDOWMENT	453,047.
INVESTMENT IN FIXED ASSETS	976,733.
UNRESERVED	529,441.
Total	<u>2,095,521.</u>

**Supporting Statement of:**

Form 990 p 4/Line 67, column (B)

Description	Amount
Board Designated - Capital Reserve	147,476.
Board Designated - Endowment	493,222.
Investment in Fixed Assets	951,917.
Unreserved	619,729.
Total	<u>2,212,344.</u>

Additional Information For Tax Return

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

Form 990 p 2: Line 22a Cash

TO PROVIDE A SUPPORTIVE HOMELIKE ATMOSPHERE FOR THE FAMILIES OF CHILDREN WHO ARE UNDERGOING INPATIENT OR OUTPATIENT MEDICAL TREATMENT IN ANY OF THE AREA HOSPITALS. THE ORGANIZATION ALSO IS VERY SUPPORTIVE OF OTHER CHILDREN'S PROGRAMS BY PROVIDING GRANTS TO OTHER ORGANIZATIONS EXEMPT UNDER 501(c)3 IN THE SOUTHERN APPALACHIAN REGION.

Form 990 p 3: Exempt purpose

Line 73 Part IV

NET ASSETS COMPRISED OF THE FOLLOWING:

CASH	1,254,254
INVENTORY	751
PREPAID INSURANCE	3,572
ACCOUNTS REC.	26,781
BUILDING	1,279,330
FURN & FIXT	141,856
OFFICE EQUIP	36,646
LESS ACCUM. DEPR	(505,915)
LESS ST DEBT	(24,931)
	-----
NET ASSETS	2,212,344

To provide a supportive homelike atmosphere for the families of children who are undergoing inpatient or outpatient medical treatment in any of the area hospitals. The organization also is very supportive of other children's programs by providing grants to other organizations exempt under 501(c)3 in the Southern Appalachian Region.

Form 990 p 4: Line 45, column (A)

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

FORM 990 PART V - LIST OF BOARD OF DIRECTORS

Additional Information For Tax Return

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

Form 990 p 5: Part V-A, Title-2

SOUTHERN APPALACHIAN RONALD MCDONALD HOUSE CHARITIES, INC.

62-1578123

FORM 990 PART V - LIST OF BOARD OF DIRECTORS