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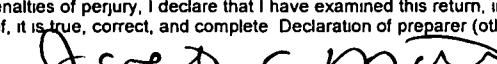
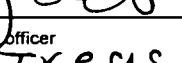
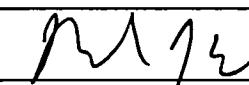
Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13)

				Yes	No
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				<input checked="" type="checkbox"/>	
(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer		
b					
c					
Totals					

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

				Yes	No
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				<input checked="" type="checkbox"/>	
(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer		
a					
b					
c					
Totals					

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

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			Date 2/12/09
	►  Signature of officer	►  Type or print name and title		
Paid Preparer's Use Only	Preparer's signature ► 	Date 2-12-09	Check if self-employed ► <input type="checkbox"/> P0075-551	Preparer's SSN or PTIN (See Gen. Instr. X) ► 58-1713263
	Firm's name (or yours if self-employed), address, and ZIP + 4 ► MOREHOUSE GROUP 507 S THORNTON AVE DALTON, GA 30720-8284		EIN ► 706-278-2713	Phone no ► 706-278-2713

2007

ment of the Treasury
Revenue Service

if the organization

E DALTON EDUCATION FOUNDATION, INC.

Employer identification number
58-1735235

Supplementary Information-(See separate instructions.)

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

Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

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

Total number of other employees paid over \$50,000

Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for

professional services

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE	\	

**Total number of other contractors receiving over
\$50,000 for other services**

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

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See page 2 of the instructions.)Yes No

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

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

a Sale, exchange, or leasing of property? 2a b Lending of money or other extension of credit? 2b c Furnishing of goods, services, or facilities? 2c d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? **SEE PART V-A, FORM 990****SEE STATEMENT 9**e Transfer of any part of its income or assets? 2e

3a 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) **SEE STATEMENT 10**

3a b Did the organization have a section 403(b) annuity plan for its employees? 3b

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? 3d

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g

4a b Did the organization make any taxable distributions under section 4966? 4b c Did the organization make a distribution to a donor, donor advisor, or related person? 4c

d Enter the total number of donor advised funds owned at the end of the tax year ► _____

0

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____

0

f 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

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____ 0

Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

y that the organization is not a private foundation because it is (Please check only ONE applicable box)

A church, convention of churches, or association of churches Section 170(b)(1)(A)

A school Section 170(b)(1)(A)(ii) (Also complete Part V)

A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ►

10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv)
(Also complete the **Support Schedule** in Part IV-A)

11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 An organization that normally receives **(1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions**—subject to certain exceptions, and **(2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax)** from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization

Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 of the instructions)

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

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

Year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	264,155	269,148	215,116	160,729	909,148
Membership fees received					0
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					0
Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	40,949	26,779	12,089	16,532	96,349
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	305,104	295,927	227,205	177,261	1,005,497
24 Line 23 minus line 17	305,104	295,927	227,205	177,261	1,005,497
25 Enter 1% of line 23	3,051	2,959	2,272	1,773	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24 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 c Total support for section 509(a)(1) test. Enter line 24, column (e) d Add Amounts from column (e) for lines 18 96,349 19 _____ 22 _____ 26b 9,890 e Public support (line 26c minus line 26d total) f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				
				▶ 26a	20,110
				▶ 26b	9,890
				▶ 26c	1,005,497
				▶ 26d	106,239
				▶ 26e	899,258
				▶ 26f	89.4342%
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year (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 _____ d Add Line 27a total _____ and line 27b total _____ e Public support (line 27c total minus line 27d total) f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				
				▶ 27c	
				▶ 27d	
				▶ 27e	
				▶ 27g	%
				▶ 27h	%
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				

V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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? **N/A**

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? **29**

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? **30**

If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) **31**

32 Does the organization maintain the following

- a Records indicating the racial composition of the student body, faculty, and administrative staff? **32a**
- b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? **32b**
- c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? **32c**
- d Copies of all material used by the organization or on its behalf to solicit contributions? **32d**

If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)

33 Does the organization discriminate by race in any way with respect to:

- a Students' rights or privileges? **33a**
- b Admissions policies? **33b**
- c Employment of faculty or administrative staff? **33c**
- d Scholarships or other financial assistance? **33d**
- e Educational policies? **33e**
- f Use of facilities? **33f**
- g Athletic programs? **33g**
- h Other extracurricular activities? **33h**

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)

34a Does the organization receive any financial aid or assistance from a governmental agency?

- b Has the organization's right to such aid ever been revoked or suspended? **34a**

If you answered "Yes" to either 34a or b, please explain using an attached statement **34b**

35 Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation

35

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)(To be completed ONLY by an eligible organization that filed Form 5768) **N/A**

► a	if the organization belongs to an affiliated group.	Check ► b	if you checked "a" and "limited control" provisions apply
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Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
total lobbying expenditures to influence a legislative body (direct lobbying)	37	
total lobbying expenditures (add lines 36 and 37)	38	
other exempt purpose expenditures	39	
total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table-		
If the amount on line 40 is-	The lobbying nontaxable amount is-	
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
42 Grassroots nontaxable amount (enter 25% of line 41)		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 13 of the instructions)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

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

Yes	No	Amount

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

Federal Statements**Statement 8 - Form 990, Part VI, Line 82b - Donated Services**

Description	Amount
TOTAL	\$ 9,000
	\$ 9,000

Federal Statements**Statement 1 - Form 990, Part I, Line 7 - Other Investment Income**

Description	Amount
MARKET APPRECIATION	\$ <u>-109,060</u>
TOTAL	\$ <u>-109,060</u>

Federal Statements

Statement 2 - Form 990, Part II, Line 22b - Other Grants and Allocations

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
BLACKSTOCK (TEMP RESTRICTED)				\$ 600	\$	\$		
EDUCATOR OF THE YEAR					4,444			
FOUNDATION GRANTS FORFEITED					-2,016			
HARLAN STARR SCHOLARSHIP - TE					2,200			
SCHOLARSHIP - C.B. VAUGHAN MEMORIAL					1,000			
SCHOLARSHIP - JOHN BRUNER MEMORIAL					500			
SCHOLARSHIPS - SHAHEEN-J. MARTIN MA					5,000			
JAMES MARTIN - SCHOLARSHIP					2,500			
KIRKMAN PIANO (TEMP RESTRICTED					953			
STUDENT PROGRAMS: OTHER					1,435			
PATTERSON - SCHOLARSHIP					2,000			
SCHOLARSHIPS (TEMP RESTRICTED					2,096			
LITTLE BLOOMERS								
TOTAL				\$ 76,120	\$ 96,832	\$ 0	\$ 0	

Federal Statements

Statement 3 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
EXPENSES	\$ 48,723	\$ 9,037	\$ 9,583
COMPENSATION COMPENSATION			
TOTAL	\$ <u>48,723</u>	\$ <u>9,037</u>	\$ <u>9,583</u>

Federal Statements**Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
EXPENSES	\$ 1,492	\$ 30	\$ 1,492	\$
BOARD EXPENSE	1,492	30	1,492	
LICENSES & PERMITS	30		1,713	
INSURANCE	1,713		1,713	
MISCELLANEOUS	311	311		
UTILITIES EXPENSE	1,543		1,543	
INTERNET EXPENSE	115		115	
ALLOWANCE ADJUSTMENT	-3,495	-3,495		
INVESTMENT FEES	5,616	5,616		
TOTAL	\$ 7,325	\$ 2,462	\$ 4,863	\$ 0

Statement 5 - Form 990, Part III - Organization's Primary Exempt PurposeDescription

COGNITION OF EXCEPTIONAL TEACHERS, PROVIDING GRANTS AND
EDUCATIONAL PROGRAMS FOR ELIGIBLE TEACHERS.

Federal Statements**Statement 6 - Form 990, Part IV, Line 54a - Publicly Traded Securities**

Description	Beginning of Year	End of Year	Basis of Valuation
CORPORATE STOCK	\$ 1,042,564	\$ 999,382	
TOTAL	\$ 1,042,564	\$ 999,382	MARKET

Statement 7 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
LITTLE BLOOMERS DEFERRED CONTRIB	\$ 57,761	\$ 8,462
TOTAL	\$ 57,761	\$ 8,462

**Statement 9 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of
Exp****Description**

EXECUTIVE DIRECTOR (FULL TIME POSITION). COMPENSATION FOR SERVICES
ENDERED.

Statement 10 - Schedule A, Part III, Line 3a - Explanation of Grant/Loan Qualifications**Description**

GRANTS AND SCHOLARSHIP ARE DETERMINED BY A COMMITTEE AND APPROVED BY THE
BOARD. THE GRANT RECIPIENT IS CHOSEN ON THE BASIS OF NEED AND TEACHING
ACCOMPLISHMENTS. THE SCHOLARSHIP RECIPIENT IS CHOSEN ON THE BASIS OF
SCHOLASTIC APTITUDE.

8868

pnl 2008)

nent of the Treasury
Revenue ServiceApplication for Extension of Time To File an
Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

you are filing for an Automatic 3-Month Extension, complete only Part I and check this box

you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

ot 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)

poration required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete
I only► ther 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 and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization THE DALTON EDUCATION FOUNDATION, INC.	Employer identification number 58-1735235
	Number, street, and room or suite no. If a P O box, see instructions 100 HAMILTON STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions DALTON GA 30720	

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

Form 990
 Form 990-BL
 Form 990-EZ
 Form 990-PF

Form 990-T (corporation)
 Form 990-T (sec. 401(a) or 408(a) trust)
 Form 990-T (trust other than above)
 Form 1041-A

Form 4720
 Form 5227
 Form 6069
 Form 8870

RECEIVED

060810

• The books are in the care of ► **THE MOREHOUSE GROUP**

ATSC IRS #7385

► Telephone No ► **706-278-2713**

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)

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 **2/17/09**, 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 **7/01/07**, and ending **6/30/08**

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 Balance Due. 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	\$

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

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

Form 8868 (Rev. 4-2008)