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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)

2008

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For the 2008 calendar year, or tax year beginning

, 2008, and ending

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. TENNESSEE MEDICAL ASSOCIATION PO BOX 120909 NASHVILLE, TN 37212	D Employer Identification Number 62-0382010
			E Telephone number 615-385-2100
			G Gross receipts \$ 4,836,623.
F Name and address of principal officer: SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (6) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.MEDWIRE.ORG		H(c) Group exemption number	
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of Formation 1964	M State of legal domicile TN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <u>THE PRIMARY EXEMPT PURPOSE IS TO PROVIDE PROFESSIONAL MEMBERSHIP TO TENNESSEE PHYSICIANS.</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)	30
	4	Number of independent voting members of the governing body (Part VI, line 1b)	30
	5	Total number of employees (Part V, line 2a)	29
	6	Total number of volunteers (estimate if necessary)	0
	7a	Total gross unrelated business revenue from Part VII, line 12, column (C)	103,230.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	
	9	Program service revenue (Part VIII, line 2g)	
	10	Investment income (Part VIII, column (A), lines 3a and 3b)	
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 6e, 6f, 6g, and 6h)	
	12	Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12)	
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
	14	Benefits paid to or for members (Part IX, column (A), line 4)	
Expenses	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	
	b	Total fundraising expenses (Part IX, column (D), line 25)	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	
	19	Revenue less expenses Subtract line 18 from line 12	
	20	Total assets (Part X, line 16)	
Net Assets or Fund Balances	21	Total liabilities (Part X, line 26)	
	22	Net assets or fund balances Subtract line 21 from line 20	

Part II Signature Block

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.	
	Donna H. Alexander Signature of officer	11/14/09 Date
Paid Preparer's Use Only	Donna H. Alexander Type or print name and title	
	Bob Bellenfant, CPA Preparer's signature	11-12-09 Date
	Check if self-employed <input type="checkbox"/> Preparer's identifying number (see instructions) P00285790	
	Firm's name (or yours if self-employed), address, and ZIP + 4 BELLENFANT & MILES, PLLC 136 WILSON PIKE CIRCLE BRENTWOOD, TN 37027	
EIN 27-0187314		Phone no (615) 370-8700

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0112L 12/22/08 Form 990 (2008)

SCANNED JAN 04 2010

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission.

THE PRIMARY EXEMPT PURPOSE IS TO PROVIDE PROFESSIONAL MEMBERSHIP TO TENNESSEE
PHYSICIANS.

2 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 \$ including grants of \$) (Revenue \$)
PROFESSIONAL MEMBERSHIP SERVICES ARE PROVIDED TO PHYSICIANS IN TENNESSEE.

4b (Code ☐) (Expenses \$ including grants of \$) (Revenue \$)
THE JOURNAL OF THE TENNESSEE MEDICAL ASSOCIATION IS PUBLISHED MONTHLY AND DISTRIBUTED
TO APPROXIMATELY 6500 MEMBERS.

4c (Code ☐) (Expenses \$ including grants of \$) (Revenue \$)
THE CARE PROGRAM IS A COMMUNITY AWARENESS RESOURCE AND EDUCATION PROGRAM.

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

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ (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		
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	X	
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 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, and 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		
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		
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

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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)? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If 'Yes,' complete Schedule L, Part IV</i>		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? <i>If 'Yes,' complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II</i>		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? <i>If 'Yes,' complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2</i>		
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? <i>If 'Yes,' complete Schedule R, Part VI</i>		X

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1 a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	23	
1 b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0	
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		X
2 a	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	29	
2 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)	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O	X	
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts		X
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 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?		
6 a	Did the organization solicit any contributions that were not tax deductible?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7 a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year		
7 e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7 g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
9 a	Did the organization make any taxable distributions under section 4966?		
9 b	Did the organization make any distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12		
10 b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11 a	Gross income from other members or shareholders		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year		

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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**

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.

	Yes	No
1 a Enter the number of voting members of the governing body	30	
1 b Enter the number of voting members that are independent	30	
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?		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?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7 a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
7 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 a Does the organization have local chapters, branches, or affiliates?	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?	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. SEE SCHEDULE O	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		X

Section B. Policies

	Yes	No
12 a Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	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. SEE SCHEDULE O	X	
13 Does the organization have a written whistleblower policy?		X
14 Does the organization have a written document retention and destruction policy?	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?		X
b Other officers of key employees of the organization?		X
Describe the process in Schedule O. (see instructions)		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		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?		
16 b		

Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE

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.

☐ Own website ☐ Another's website ☒ 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

▶ DONALD ALEXANDER 2301 21ST AVENUE SOUTH, NASHVILLE, TN 37212 615-385-2100

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	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above.	1 f				
	g Noncash contrbns included in lns 1a-1f: \$					
	h Total. Add lines 1a-1f					
PROGRAM SERVICE REVENUE		Business Code				
	2 a MEMBERSHIP DUES & ASSESSMENTS	900099	1,988,062.	1,988,062.		
	b ANNUAL MEETING	900099	86,113.			86,113.
	c JOURNAL ADVERTISING	541800	103,230.		103,230.	
	d ADMINISTRATION FEE	900099	180,340.	180,340.		
	e LICENSING FEES	900099	375,014.			375,014.
	f All other program service revenue.		72,853.	41,321.		31,532.
	g Total. Add lines 2a-2f		2,805,612.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		113,179.			113,179.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
		(i) Real	(ii) Personal			
	6 a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		143,938.			143,938.
		(i) Securities	(ii) Other			
	7 a Gross amount from sales of assets other than inventory	1,623,188.				
	b Less cost or other basis and sales expenses	1,860,156.				
	c Gain or (loss)	-236,968.				
	d Net gain or (loss)		-236,968.	-236,968.		
	8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	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	900099	78,231.			78,231.	
b JOURNAL SUBSCRIPTIONS	900099	13,909.	13,909.			
c INFORMATION SYSTEM FEE	900099	43,192.			43,192.	
d All other revenue		15,374.			15,374.	
e Total. Add lines 11a-11d		150,706.				
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		2,976,467.	1,986,664.	103,230.	886,573.	

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).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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	282,685.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B))	0.			
7 Other salaries and wages	841,963.			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	250,090.			
10 Payroll taxes	83,511.			
11 Fees for services (non-employees)				
a Management				
b Legal	24,403.			
c Accounting	8,700.			
d Lobbying				
e Prof fundraising svcs See Part IV, ln 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	27,805.			
14 Information technology	102,246.			
15 Royalties				
16 Occupancy				
17 Travel	35,484.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	230,531.			
20 Interest	1,329.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	109,628.			
23 Insurance	13,822.			
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 OTHER ORGANIZATIONS	216,887.			
b OFFICERS EXPENSE	206,173.			
c TMA JOURNAL	202,434.			
d BUILDING MAINTENANCE	139,715.			
e CARE PROGRAM	105,036.			
f All other expenses	401,477.			
25 Total functional expenses. Add lines 1 through 24f	3,283,919.			
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	400,766.	1	506,792.
	2 Savings and temporary cash investments	1,878,055.	2	1,547,244.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	198,412.	4	228,460.
	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	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost basis	10a 3,468,372.		
	b Less accumulated depreciation. Complete Part VI of Schedule D	10b 1,773,021.		
		1,646,858.	10c	1,695,351.
	11 Investments — publicly-traded securities	2,369,996.	11	1,377,166.
	12 Investments — other securities. See Part IV, line 11		12	
	13 Investments — program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	845,221.	15	664,378.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	7,339,308.	16	6,019,391.	
LIABILITIES	17 Accounts payable and accrued expenses	215,888.	17	127,413.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	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		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	2,869,345.	25	2,530,450.
	26 Total liabilities. Add lines 17 through 25	3,085,233.	26	2,657,863.
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	4,254,075.	27	3,361,528.
	28 Temporarily restricted net assets		28	
	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, and equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances.	4,254,075.	33	3,361,528.
	34 Total liabilities and net assets/fund balances.	7,339,308.	34	6,019,391.

Part XI Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If 'Yes' to 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?
- 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?
- b If 'Yes,' did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

BAA

Form 990 (2008)

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

► To be completed by organizations described below.

► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2008

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Inspection

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

TENNESSEE MEDICAL ASSOCIATION

Employer identification number

62-0382010

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 own internal 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-

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

Schedule C (Form 990 or 990-EZ) 2008

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												
1 a Total lobbying expenditures to influence public opinion (grass roots 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:															
<table border="0"> <tr> <td>If the amount on line 1e, column (a) or (b) is:</td> <td>The lobbying nontaxable amount is:</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>		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		
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.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2 a 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					

BAA

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?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
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 Other activities? If 'Yes,' describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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?		X
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?		X
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?		X

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	1,988,062.
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	238,567.
b Carryover from last year	2b	
c Total	2c	238,567.
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	258,448.
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	0.
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	0.

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 IV Supplemental Information *(continued)*

Area with horizontal dashed lines for supplemental information.

**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, lines 6, 7, 8, 9, 10, 11, or 12.**

OMB No. 1545-0047

2008**Open to Public
Inspection**

Name of the organization

TENNESSEE MEDICAL ASSOCIATION

Employer identification number

62-0382010

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? ☐ Yes ☐ 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?? ☐ Yes ☐ 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)

<input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> 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 easement it holds? ☐ Yes ☐ No

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 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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, 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 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

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

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
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ _____ %

c Term endowment ▶ _____ %

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

(i) unrelated organizations

(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

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		876,995.		876,995.
b Buildings		1,699,845.	969,085.	730,760.
c Leasehold improvements		120,965.	120,965.	0.
d Equipment		397,946.	333,767.	64,179.
e Other		372,621.	349,204.	23,417.

Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c)) ▶ 1,695,351.

BAA

Schedule D (Form 990) 2008

Part VII Investments—Other Securities See Form 990, Part X, line 12. N/A

(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. (Column (b) should equal Form 990 Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related (See Form 990, Part X, line 13) N/A

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

Part IX Other Assets (See Form 990, Part X, line 15)

(a) Description	(b) Book value
INVESTMENTS OF THE DEFERRED COMPENSATION PLAN	602,522.
Total. Column (b) Total (should equal Form 990, Part X, col. (B), line 15) ▶	
	664,378.

Part X Other Liabilities (See Form 990, Part X, line 25)

(a) Description of Liability	(b) Amount
Federal Income Taxes	
DUES COLLECTION ESCROW	1,601,333.
LIABILITY UNDER DEFERRED COMPENSATION P	602,522.
TENANT DEPOSITS	2,000.
UNEARNED REVENUE	324,595.
Total. Column (b) Total (should equal Form 990, Part X, col. (B) line 25) ▶	
	2,530,450.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

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)	2,976,467.
2	Total expenses (Form 990, Part IX, column (A), line 25)	3,283,919.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	-307,452.
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV) SEE PART XIV	-822,063.
9	Total adjustments (net). Add lines 4-8	-822,063.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	-1,129,515.

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	2,391,372.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12.		
a	Net unrealized gains on investments	2a	-585,095.
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	-585,095.
3	Subtract line 2e from line 1	3	2,976,467.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investments 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	2,976,467.

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

1	Total expenses and losses per audited financial statements	1	3,283,919.
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	3,283,919.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments 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	3,283,919.

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 XIV Supplemental Information (continued)

[illegible]

SCHEDULE J
(Form 990)Department of the Treasury
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated EmployeesAttach to Form 990. To be completed by organizations that
answered 'Yes' to Form 990, Part IV, line 23.

OMB No 1545-0047

2008Open to Public
Inspection

Name of the organization

TENNESSEE MEDICAL ASSOCIATION

Employer identification number

62-0382010

Part I Questions Regarding Compensation**1 a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain.**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?**3** Indicate which, if any, of the following organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If 'Yes' to any of 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:**a** The organization?**b** Any related organization?

If 'Yes' to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:**a** The organization?**b** Any related organization?

If 'Yes' to line 6a or 6b, describe in Part III.

7 For person listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III.**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If 'Yes,' describe in Part III.

	Yes	No
1 b		
2		
4 a		X
4 b		X
4 c		X
5 a		
5 b		
6 a		
6 b		
7		
8		

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

Schedule J (Form 990) 2008

Part III	Supplemental Information
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Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

[illegible]

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Dispropor- tionate allocations?		(I) Code V-UBI amount in Box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?
							Yes	No		
TENNESSEE PHYSICIAN QUALITY VERIFICATION 1092 CHAMBERLAIN AVENUE, SUITE B CHATTANOOGA, TN 37404 62-1716660	SERVICES	TN	N/A	RELATED	15,374.	60,856.		X	0.	X

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
TMA PHYSICIANS SERVICES, INC. 2301 21ST AVENUE SOUTH NASHVILLE, TN 37212 62-1247328	BUSINESS SE	TN	N/A	C CORP	290,403.	117,608.	100.00

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:**a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**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	(B) Transaction type (a-r)	(C) Amount involved
(1)	P	117,240.
(2)	R	40,000.
(3)		
(4)		
(5)		
(6)		

Part VI · Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total asset or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

[illegible]

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

TENNESSEE MEDICAL ASSOCIATION

Employer identification number

62-0382010

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION

TMA PROVIDES SUPPORT TO TMA ALLIANCE, TENNESSEE MEDICAL EDUCATION FUND, HOSPITAL
MEDICAL STAFF SECTION, MEDICAL STUDENT SECTION AND THE YOUNG PHYSICIAN SECTION.

FORM 990, PART VI, LINE 10 - FORM 990 REVIEW PROCESS

THE FORM 990 IS REVIEWED BY THE CEO PRIOR TO FILING WITH THE INTERNAL REVENUE
SERVICE.

FORM 990, PART VI, LINE 19, DISCLOSURES GOVERNING DOCUMENTS, POLICIES AND FINANCIAL
STATEMENTS ARE AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF C

THE CEO AND BOARD MEMBERS MONITOR THE CONFLICT OF INTEREST POLICY BY REVIEWING
POTENTIAL NEW BOARD MEMBERS, DIRECTORS, AND NEW EMPLOYEES OF THE ASSOCIATION.

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As of 2/26/2009

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As of 2/26/2009

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Total Records 30

TENNESSEE MEDICAL ASSOCIATION

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2008 AND 2007

TENNESSEE MEDICAL ASSOCIATION

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BELLENFANT + MILES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Tennessee Medical Association

We have audited the accompanying statements of financial position of the Tennessee Medical Association as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tennessee Medical Association as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as supplemental schedules in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Tennessee Medical Association. Such information has been subjected to the procedures applied in the examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bellenfant & Miles, P.C.

March 12, 2009

TENNESSEE MEDICAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 2,054,036	\$ 2,278,821
Investments - marketable securities	1,377,166	2,369,996
Accounts receivable	<u>228,460</u>	<u>198,412</u>
Total Current Assets	<u>3,659,662</u>	<u>4,847,229</u>
LAND, BUILDING, IMPROVEMENTS, AND EQUIPMENT		
Land	876,995	876,995
Building	1,699,845	1,609,327
Tenant improvements	120,965	120,965
Office equipment	397,946	359,347
Information Systems	<u>372,621</u>	<u>410,518</u>
	3,468,372	3,377,152
Less accumulated deprecation	<u>(1,773,021)</u>	<u>(1,730,294)</u>
Land, Building, Improvements, and Equipment - Net	<u>1,695,351</u>	<u>1,646,858</u>
OTHER ASSETS		
Investment in Affiliates	61,856	46,482
Investments of the deferred compensation plan	<u>602,522</u>	<u>798,739</u>
Total Other Assets	<u>664,378</u>	<u>845,221</u>
TOTAL ASSETS	<u><u>\$ 6,019,391</u></u>	<u><u>\$ 7,339,308</u></u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE MEDICAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

DECEMBER 31, 2008 AND 2007

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 127,413	\$ 215,888
Dues collection escrow	1,601,333	1,673,189
Unearned revenue	<u>324,595</u>	<u>395,417</u>
Total Current Liabilities	<u>2,053,341</u>	<u>2,284,494</u>
LONG TERM LIABILITIES:		
Tenant deposits	2,000	2,000
Liability under deferred compensation plan	<u>602,522</u>	<u>798,739</u>
Total Long Term Liabilities	<u>604,522</u>	<u>800,739</u>
TOTAL LIABILITIES	<u>2,657,863</u>	<u>3,085,233</u>
NET ASSETS:		
Unrestricted	<u>3,361,528</u>	<u>4,254,075</u>
Total Net Assets	<u>3,361,528</u>	<u>4,254,075</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,019,391</u></u>	<u><u>\$ 7,339,308</u></u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE MEDICAL ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Membership Dues	\$ 1,988,062	\$ 2,060,998
Annual Meeting	86,113	68,315
Journal	117,139	139,537
Investment Income	73,179	177,977
TMA Physician Service, Inc. - Dividends	40,000	40,000
 TMA Leadership Academy	 10,264	 -
Information System User Fees	43,192	40,800
Education Seminar	21,268	37,951
Subsidiary Administration	105,233	94,949
Specialty Society Administration	75,107	75,241
 Rental Income	 143,938	 143,938
Licensing Fee Income	375,014	375,431
Other	78,231	15,297
TMA's share of Income (Loss) from Tennessee Physicians'		
Quality Verification Organization, LLC (TPQVO)	15,374	(196)
 MLR Campaign	 41,321	 60,924
Net Unrealized and Realized Gain (Loss) from Investments	(822,063)	108,803
 Total Revenues	 <u>2,391,372</u>	 <u>3,439,965</u>
 EXPENSES		
MEMBER SERVICES		
General Administrative	1,530,376	1,430,400
Administrative Support and Services	51,750	46,158
Travel	35,484	35,296
Officers and Members	206,173	177,117
 Committees	 90,408	 64,305
Legislative Committee	72,343	57,110
Practice Management Education	10,945	27,318
Annual Meeting	67,780	71,089

The accompanying notes are an integral part of these financial statements.

TENNESSEE MEDICAL ASSOCIATION

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

EXPENSES - CONTINUED	<u>2008</u>	<u>2007</u>
Taxes	\$ 147,004	\$ 139,804
Headquarters	139,715	177,503
Journal	202,434	192,705
Capital expenditures	8,232	7,949
Specialty Society Administration	88,661	87,103
Other organizations	216,887	211,052
Care program	105,036	150,479
Information systems	102,246	106,895
Depreciation	109,628	152,728
MLR Campaign	41,321	60,924
TMA Leadership Academy	56,167	28,256
Interest expense	<u>1,329</u>	<u>-</u>
Total Expenses	<u>3,283,919</u>	<u>3,224,191</u>
Change in Net assets	(892,547)	215,774
Net assets, beginning of the year	<u>4,254,075</u>	<u>4,038,301</u>
Net assets, end of the year	<u><u>\$ 3,361,528</u></u>	<u><u>\$ 4,254,075</u></u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE MEDICAL ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (892,547)	\$ 215,774
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Deprecation	109,628	152,728
(Increase) decrease in:		
Accounts receivable	(30,048)	(126,876)
Other assets	(15,374)	4,584
Increase (Decrease) in:		
Accounts payable and accrued expenses	(88,475)	52,363
Dues collection escrow	(71,856)	130,326
Unearned revenue	(70,822)	78,826
Net Cash Provided By (Used by) Operating Activities	<u>(1,059,494)</u>	<u>507,725</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Information system software	(10,000)	(22,825)
Purchase of office equipment	(57,603)	-
Building improvements acquired	(90,518)	-
Decrease (Increase) of Investments in marketable securities	992,830	(651,188)
Net Cash Provided by (Used by) Investing Activities	<u>834,709</u>	<u>(674,013)</u>
NET DECREASE IN CASH	(224,785)	(166,288)
Cash and Cash Investments, beginning of the year	<u>2,278,821</u>	<u>2,445,109</u>
Cash and Cash Investments, end of the year	<u><u>\$ 2,054,036</u></u>	<u><u>\$ 2,278,821</u></u>

The accompanying notes are an integral part of these financial statements.

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose:

The Tennessee Medical Association is a nonprofit organization, which exists primarily to federate and bring into one compact organization, through the component societies, the medical profession of the State.

Method of Accounting:

The financial statements of the Tennessee Medical Association are prepared on the accrual basis of accounting. Revenue is generally recognized when earned. Expenses are generally recognized when incurred.

Cash:

The Association considers all investment instruments purchased with maturity of three months or less to be cash equivalents. The Association maintains in excess of \$100,000 in deposits at a single bank with FDIC insurance on the first \$100,000 in deposits.

Depreciation:

Land, building, tenant improvements, office furniture and equipment and information systems are recorded at actual cost as acquired. The Association provides for depreciation under the straight-line method over the estimated useful lives of its fixed assets as follows:

Building	30 years
Tenant improvements	5 years
Office equipment	5 years
Information Systems	3 years

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual amounts could differ from those estimates.

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

2. CASH

The Association invests its cash balances in a variety of accounts segregated in the following categories:

<u>Type of Account</u>	<u>Financial Institution</u>	<u>2008</u>	<u>2007</u>
Checking	Regions Bank	\$ 506,692	\$ 408,950
Checking and money market	Insurors Bank	(15,332)	195,142
Dues checking	Suntrust Bank	980,503	1,323,683
Petty cash		100	100
Money market funds	TD Ameritrade	316,432	261,344
Money market funds	TD Ameritrade	<u>265,641</u>	<u>89,602</u>
		<u>\$ 2,054,036</u>	<u>\$ 2,278,821</u>

3. INVESTMENT - MARKETABLE SECURITIES

The Association has an investment portfolio consisting of various marketable securities. The Association held the following types of investments:

	<u>2008</u>	<u>2007</u>
Common Stocks	\$ 80,350	\$ 236,800
Mutual Funds	<u>1,296,815</u>	<u>2,133,196</u>
Total	<u>\$ 1,377,165</u>	<u>\$ 2,369,996</u>

The securities are reported at fair value.

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

4. TENNESSEE PHYSICIANS QUALITY VERIFICATION ORGANIZATION, LLC

Tennessee Medical Association invests annually in the Tennessee Physicians Quality Verification Organization, LLC (TPQVO) for a 25% ownership in the limited liability company. The Association also invests annually on behalf of the Chattanooga, and Knoxville Medical Societies. Each of those medical societies own 37.5% of the TPQVO. The following summary explains the current investment in the TPQVO.

Total Investment at December 31, 2006	\$ 45,678
Investment in 2007	-
TMA's share of loss in 2007 (25% of \$784)	<u>(196)</u>
Total Investment at December 31, 2007	45,482
Investment in 2008	-
TMA's share of income in 2008 (25% of \$61,496)	<u>15,374</u>
Total Investment at December 31, 2008	<u><u>\$ 60,856</u></u>

5. INVESTMENT IN AFFILIATES

The Association's investment in affiliated organizations is summarized as follows:

	<u>2008</u>	<u>2007</u>
TMA Physicians Services, Inc	\$ 1,000	\$ 1,000
Tennessee Physicians' Quality Verification Organization, LLC	<u>60,856</u>	<u>45,482</u>
Total Investment in Affiliates	<u><u>\$ 61,856</u></u>	<u><u>\$ 46,482</u></u>

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

6. TMA PHYSICIAN SERVICES, INC.

TMA Physician Services, Inc. is a for profit corporation organized for the purpose of providing business services related to practicing physicians that is solely owned by the Association. TMA Physician Services, Inc. paid the following amounts to the Association:

	<u>2008</u>	<u>2007</u>
Dividends	\$ 40,000	\$ 40,000
Advertising	15,240	15,240
Personnel services	84,000	84,000
Information system user fees	9,000	9,000
Rent	<u>9,000</u>	<u>9,000</u>
Total	<u>\$ 157,240</u>	<u>\$ 157,240</u>

7. OPERATING LEASE COMMITMENTS

The Association leases a vehicle. The lease expires in 2011. Approximate future minimum lease commitments are as follows:

2009	\$ 8,100
2010	8,100
2011	<u>7,425</u>
Total	<u>\$ 23,625</u>

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

8. DUES COLLECTION ESCROW

Dues collection escrow consists of funds collected during the last four months of each year from Association members that are not recognizable as revenue because it will be passed through to other entities or it is next year's Association dues. As of December 31, 2008 and 2007, the following types of funds were being held in escrow:

	2008	2007
TMA membership	\$ 1,388,413	\$ 1,441,277
AMA membership	107,835	178,209
County society membership	87,425	41,336
Pending dues	11,640	13,849
Alliance	-	1,408
PAC	4,820	(5,130)
Metro Foundation	1,200	2,240
Total Dues Collection Escrow	<u>\$ 1,601,333</u>	<u>\$ 1,673,189</u>

9. UNEARNED REVENUE

Unearned revenue represents receipts collected but not considered revenue during the current year. The revenue is deferred until subsequent years. The following are components of unearned revenue.

	2008	2007
MLR Campaign	\$ 324,595	\$ 362,917
Advertising and sponsorships	22,500	22,500
Other	10,000	10,000
Total Unearned Revenue	<u>\$ 357,095</u>	<u>\$ 395,417</u>

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

10. MLR CAMPAIGN

The campaign for medical liability reform "MLR Campaign" began during 2005. MLR Campaign receives funding through volunteer contributions by TMA members and other interested parties. Revenues are considered earned during 2008 as they are expended for the MLR Campaign's purpose. The following is a summary of activity during 2008:

Unearned Contributions, January 1, 2008	<u>\$ 362,917</u>
Contributions received	<u>3,000</u>
Expenditures	
Legal and government affairs	1,728
Public relations / advertising	8,191
Research	500
Grassroots education	26,567
Contingencies	<u>4,336</u>
Total expenditures	<u>41,322</u>
Contributions considered unearned as of December 31, 2008	<u><u>\$ 324,595</u></u>

11. RETIREMENT PLAN

The Association contributes to a pension plan covering substantially all personnel. Employees may make voluntary contributions to a 401K plan for their own benefit. The Association's contribution to the 401K plan during 2008 and 2007 was \$85,081 and \$81,033, respectively.

12. SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Association maintains an executive deferred compensation benefit plan under Section 457 of the Internal Revenue Code. The purpose of the plan is to supplement certain employee's retirement benefits. The Association has established and maintains a separate deferred compensation account in the name of each participant. Vesting by the participating employees is generally on their planned retirement date. Compensation deferred was \$54,310 and \$35,944 for 2008 and 2007, respectively.

TENNESSEE MEDICAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008 AND 2007

13. COMPENSATED ABSENCES

Employees of the Association are entitled to paid vacation days. Employees are not allowed to carryover unused vacation days past December 31 of each year; accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when actually paid to employees.

14. DONATED SERVICES

Officers, members of the Board of Trustees, and other members of the Association have assisted the Association in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Association, and the Association exercises no significant control over the major elements of donated services.

SUPPLEMENTAL SCHEDULES

TENNESSEE MEDICAL ASSOCIATION

**RECONCILIATION OF EXCESS OF REVENUE OVER BUDGETED
EXPENDITURES TO CHANGE IN NET ASSETS AS RECOGNIZED
BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)**

FOR THE YEAR ENDED DECEMBER 31, 2008

Change in net assets (Page 7)	\$ (892,547)
Items Charged to Expenditures but recorded as investment by GAAP:	
TMA's share of gain from Tennessee Physicians' Quality Verification Organization , LLC	(15,374)
Items Expended by GAAP but not by the Budget:	
Net realized and unrealized gain from investments	822,063
Interest Expense	1,329
Depreciation Expense	<u>109,628</u>
Excess of Revenue over Budgeted Expenditures (Page 18)	<u><u>\$ 25,099</u></u>

TENNESSEE MEDICAL ASSOCIATION

SCHEDULE OF REVENUE AND BUDGETED EXPENDITURE COMPARISON

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Membership Dues	\$ 1,988,062	\$ 2,075,000	\$ (86,938)
Annual meeting	86,113	65,000	21,113
Journal	117,139	124,000	(6,861)
Investment Income	73,179	35,000	38,179
Information System User Fees	43,192	40,800	2,392
Subsidiary Administration	105,233	92,000	13,233
Specialty Society Administration	75,107	76,000	(893)
TMA Physician Service, Inc. Dividends	40,000	40,000	-
TMA Leadership Academy	10,264	10,000	264
Rental Income	143,938	143,938	-
Licensing Fee Income	375,014	380,000	(4,986)
Education	21,268	54,500	(33,232)
Other	78,231	5,250	72,981
TOTAL REVENUES	<u>\$ 3,156,740</u>	<u>\$ 3,141,488</u>	<u>\$ 15,252</u>
EXPENSES			
General Administrative	1,530,376	1,501,462	28,914
Administrative Support and Services	51,750	55,800	(4,050)
Travel	35,484	38,100	(2,616)
Officers and Members	206,173	157,711	48,462
Committees	90,408	89,000	1,408
Legislative Committee	72,343	70,500	1,843
Practice Management Education	10,945	42,500	(31,555)
Annual Meeting	67,780	71,000	(3,220)
Taxes	147,004	146,164	840
Headquarters	139,715	210,187	(70,472)
Journal	202,434	196,700	5,734
Capital Expenditures	8,232	9,500	(1,268)
Specialty Society Administration	88,661	94,079	(5,418)
Other Organizations	216,887	229,751	(12,864)
Care Program	105,036	142,000	(36,964)
Information Systems	102,246	145,495	(43,249)
TMA Leadership Academy	56,167	60,000	(3,833)
TOTAL EXPENDITURES	<u>3,131,641</u>	<u>3,259,949</u>	<u>(128,308)</u>
EXCESS OF REVENUES OVER BUDGETED EXPENDITURES	<u>\$ 25,099</u>	<u>\$ (118,461)</u>	<u>\$ 143,560</u>

TENNESSEE MEDICAL ASSOCIATION

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
GENERAL ADMINISTRATIVE			
Salaries	\$ 1,124,648	\$ 1,116,594	\$ 8,054
Employee benefits	250,090	240,068	10,022
Office supplies	27,030	22,000	5,030
Postage	14,572	15,000	(428)
Mailing service	14,828	10,000	4,828
Telephone	39,573	37,500	2,073
Long Distance Service	2,456	7,000	(4,544)
Chief Executive Officer	2,042	1,900	142
Memorials and Flowers	742	1,000	(258)
Subscriptions	839	1,400	(561)
Self Insured Insurance	1,500	2,000	(500)
Staff Continuing Education	4,195	6,000	(1,805)
AMA/TMA Dues Rebates	31,404	23,500	7,904
Banking & Investing Fees	12,695	12,000	695
Payroll Processing Fees	2,800	3,000	(200)
Miscellaneous Expenses	962	2,500	(1,538)
	<u>1,530,376</u>	<u>1,501,462</u>	<u>28,914</u>
ADMINISTRATIVE SUPPORT AND SERVICES			
Attorney retainer fees	18,500	18,500	-
Auditing	8,700	7,800	900
Equipment maintenance	4,944	4,500	444
Printing	13,703	10,000	3,703
Legal fees contingency	5,903	15,000	(9,097)
	<u>51,750</u>	<u>55,800</u>	<u>(4,050)</u>
TRAVEL			
General administrative	29,340	30,000	(660)
Auto operation/maintenance	6,144	8,100	(1,956)
	<u>35,484</u>	<u>38,100</u>	<u>(2,616)</u>
OFFICERS & MEMBERS			
President and President-elect's expense	6,141	7,700	(1,559)
Board of trustee expense	101,027	60,000	41,027
Judicial council	141	1,400	(1,259)
Association liability insurance	18,911	18,811	100
AMA Delegates expense	63,553	50,000	13,553
AMA Leadership Conference	-	4,800	(4,800)
AMA Campaign	1,400	-	1,400
Presidential Stipend	15,000	15,000	-
	<u>206,173</u>	<u>157,711</u>	<u>48,462</u>

TENNESSEE MEDICAL ASSOCIATION

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
COMMITTEES			
Meetings and travel	\$ 19,580	\$ 17,000	\$ 2,580
Membership recruitment	68,948	70,000	(1,052)
Community service awards	1,880	2,000	(120)
	<u>90,408</u>	<u>89,000</u>	<u>1,408</u>
LEGISLATIVE COMMITTEE			
State Government Relations	27,624	30,000	(2,376)
Travel	12,201	12,000	201
Congressional Relations	23,131	12,500	10,631
Legal department	8,887	12,500	(3,613)
Legislative	500	3,500	(3,000)
	<u>72,343</u>	<u>70,500</u>	<u>1,843</u>
PRACTICE MANAGEMENT EDUCATION			
Speaker Fees	3,750	15,000	(11,250)
Facility Rentals	1,546	3,500	(1,954)
Facility A/V	-	2,000	(2,000)
Facility Food and Beverage	768	8,000	(7,232)
Printing and Graphic Design	1,649	5,000	(3,351)
Supplies and Fees	211	2,000	(1,789)
Staff Travel	3,021	3,000	21
Marketing	-	3,500	(3,500)
Committee Expense	-	500	(500)
	<u>10,945</u>	<u>42,500</u>	<u>(31,555)</u>
ANNUAL MEETING			
General meeting	12,781	17,000	(4,219)
House of Delegates	11,246	12,000	(754)
Ticketed functions	43,753	42,000	1,753
	<u>67,780</u>	<u>71,000</u>	<u>(3,220)</u>
TAXES			
Personalty tax	-	1,200	(1,200)
Social security	83,511	83,744	(233)
Unemployment compensation	3,154	4,558	(1,404)
Workman's compensation insurance	9,168	6,500	2,668
Property taxes	51,171	50,162	1,009
	<u>147,004</u>	<u>146,164</u>	<u>840</u>

TENNESSEE MEDICAL ASSOCIATION

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
HEADQUARTERS			
Custodial Service	185	2,000	(1,815)
Property insurance	11,000	10,405	595
Building supplies	936	2,400	(1,464)
Utilities	78,165	65,000	13,165
Janitor/disposal service	18,009	17,832	177
Building maintenance/grounds	8,612	8,200	412
Service contracts	22,808	14,350	8,458
Building Maintenance Contingency	-	90,000	(90,000)
	<u>139,715</u>	<u>210,187</u>	<u>(70,472)</u>
JOURNAL			
Clipping service	\$ 6,170	\$ 4,800	\$ 1,370
Editor and board	70,860	65,900	4,960
Printing and mailing	93,284	93,000	284
Supplies	297	1,000	(703)
Contributing Writers	600	2,000	(1,400)
Graphic Design	31,223	30,000	1,223
	<u>202,434</u>	<u>196,700</u>	<u>5,734</u>
CAPITAL EXPENDITURES			
Office equipment and furniture	775	2,000	(1,225)
Auto lease	7,457	7,500	(43)
	<u>8,232</u>	<u>9,500</u>	<u>(1,268)</u>
SPECIALTY SOCIETY ADMINISTRATION			
Staff salaries	71,860	73,213	(1,353)
Staff benefits	12,298	15,375	(3,077)
Staff payroll taxes	4,503	5,491	(988)
	<u>88,661</u>	<u>94,079</u>	<u>(5,418)</u>
OTHER ORGANIZATIONS			
Medical student section	4,903	10,000	(5,097)
Young physician section	3,512	6,000	(2,488)
TMF Contributions	122,720	126,804	(4,084)
TMEF Contributions	44,180	44,768	(588)
TMA Alliance Contributions	22,570	22,570	-
Memberships and fees	6,326	6,700	(374)
State litigation center	4,651	4,409	242
AMA resident section	8,025	8,500	(475)
	<u>216,887</u>	<u>229,751</u>	<u>(12,864)</u>

TENNESSEE MEDICAL ASSOCIATION

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
CARE PROGRAM			
Projects and consultants	62,269	100,000	(37,731)
Salaries	42,000	42,000	-
Staff benefits	500	-	500
Travel	267	-	267
	<u>105,036</u>	<u>142,000</u>	<u>(36,964)</u>
INFORMATION SYSTEMS			
Workstation	\$ 1,816	\$ 4,700	\$ (2,884)
Training	3,483	6,200	(2,717)
Software support and maintenance	17,118	32,500	(15,382)
Network maintenance and support	76,381	97,095	(20,714)
Software and hardware upgrades	3,448	5,000	(1,552)
	<u>102,246</u>	<u>145,495</u>	<u>(43,249)</u>
TMA LEADERSHIP ACADEMY			
Course material	\$ 13,249	\$ 15,000	\$ (1,751)
Curriculum faciltator	1,905	2,000	(95)
Speaker travel	897	3,400	(2,503)
Speaker fees	4,750	7,250	(2,500)
Student accomodations	7,152	10,000	(2,848)
Facility expense	9,226	7,500	1,726
Administrative expense	18,494	12,350	6,144
Committee expense	494	2,500	(2,006)
	<u>56,167</u>	<u>60,000</u>	<u>(3,833)</u>
TOTAL EXPENDITURES	<u>\$ 3,131,641</u>	<u>\$ 3,259,949</u>	<u>\$ (128,308)</u>

2008

SCHEDULE D, PART XIV - SUPPLEMENTAL INFORMATION PAGE 6

CLIENT TMA

TENNESSEE MEDICAL ASSOCIATION

62-0382010

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SCHEDULE D, PART XI, LINE 8
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

NET UNREALIZED HOLDING LOSS ON INVESTMENTS

TOTAL \$ -822,063.
\$ -822,063.