

2017

Form 990-T

Department of the Treasury
Internal Revenue Service

A	<input type="checkbox"/> Check box if address changed
B	Exempt under section
<input checked="" type="checkbox"/>	501(c)(3)
<input type="checkbox"/>	408(e)
<input type="checkbox"/>	220(e)
<input type="checkbox"/>	408A
<input type="checkbox"/>	530(a)
<input type="checkbox"/>	529(a)

C Book value of all assets at end of year
4,068,163

H Describe the organization's primary unrelated business activity
► **ADVERTISING**

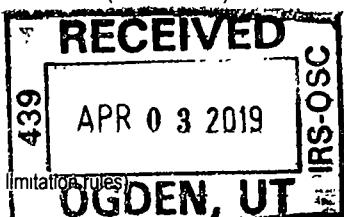
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter the name and identifying number of the parent corporation.
► Yes No

J The books are in care of ► **THE BLUES FOUNDATION** Telephone number ► **901-527-2583**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances	c Balance		
2	Cost of goods sold (Schedule A, line 7)	► 1c		
3	Gross profit Subtract line 2 from line 1c	2		
4a	Capital gain net income (attach Schedule D)	3		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4a		
c	Capital loss deduction for trusts	4b		
5	Income (loss) from partnerships and S corporations (attach statement)	4c		
6	Rent income (Schedule C)	5		
7	Unrelated debt-financed income (Schedule E)	6		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	7		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	8		
10	Exploited exempt activity income (Schedule I)	9		
11	Advertising income (Schedule J)	10		
12	Other income (See instructions, attach schedule)	11		
13	Total. Combine lines 3 through 12	12 82,180		82,180
		13 82,180		82,180

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

14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	12,464
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule)	18	
19	Taxes and licenses	19	1,115
20	Charitable contributions (See instructions for limitations and rules)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b 0
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	50,842
29	Total deductions. Add lines 14 through 28	29	64,421
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	17,759
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30	32	17,759
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000
34	Unrelated business taxable income. Subtract line 33 from line 32 If line 33 is greater than line 32, enter the smaller of zero or line 32	34	16,759



Part III Tax Computation

35	Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ► <input type="checkbox"/> See instructions and		
a	Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):		
(1) \$	(2) \$	(3) \$	
b	Enter organization's share of. (1) Additional 5% tax (not more than \$11,750) (2) Additional 3% tax (not more than \$100,000)	\$	\$
c	Income tax on the amount on line 34	► 35c	3,266
36	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	► 36	
37	Proxy tax. See instructions	► 37	
38	Alternative minimum tax	► 38	
39	Tax on Non-Compliant Facility Income. See instructions	► 39	
40	Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	► 40	3,266

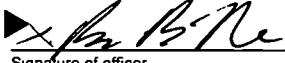
Part IV Tax and Payments

41a	Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	41a	
b	Other credits (see instructions)	41b	
c	General business credit Attach Form 3800 (see instructions)	41c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	41d	
e	Total credits. Add lines 41a through 41d	41e	
42	Subtract line 41e from line 40	42	3,266
43	Other taxes Check if from <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (att. sch.)	43	
44	Total tax. Add lines 42 and 43	44	3,266
45a	Payments. A 2016 overpayment credited to 2017	45a	3,830
b	2017 estimated tax payments	45b	
c	Tax deposited with Form 8866	45c	
d	Foreign organizations Tax paid or withheld at source (see instructions)	45d	
e	Backup withholding (see instructions)	45e	
f	Credit for small employer health insurance premiums (Attach Form 8941)	45f	
g	Other credits and payments <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ Other _____	45g	Total ►
46	Total payments. Add lines 45a through 45g	46	3,830
47	Estimated tax penalty (see instructions) Check if Form 2220 is attached	47	
48	Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	
49	Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	564
50	Enter the amount of line 49 you want Credited to 2018 estimated tax ►	50	Refunded ► 564

Part V Statements Regarding Certain Activities and Other Information (see instructions)

51	At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ►	Yes	No
52	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file	Yes	No
53	Enter the amount of tax-exempt interest received or accrued during the tax year ► \$		

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

Sign Here		k3-29-19	PRESIDENT & CEO	May the IRS discuss this return with the preparer shown below (see instructions)?
Signature of officer	Date	Title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Paid	Print/Type preparer's name LEE E. HOOD	Preparer's signature LEE E. HOOD	Date 03/28/19	Check <input type="checkbox"/> if self-employed	PTIN P00505342
Preparer Use Only	Firm's name ► WHITEHORN TANKERSLEY & DAVIS, PLLC		Firm's EIN ►	62-1039882	
	Firm's address ► 670 OAKLEAF OFFICE LANE		Phone no	901-767-5080	
	MEMPHIS, TN 38117-4811				

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ►

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

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1 Description of property

(1) **N/A**

(2)

(3)

(4)

2 Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ►
(c) Total income. Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A) ►		

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) N/A				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A) ►	Enter here and on page 1, Part I, line 7, column (B) ►
Total dividends-received deductions included in column 8				

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1 Name of controlled organization		2 Employer identification number	Exempt Controlled Organizations		
			3. Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income
(1) N/A					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income		8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					

Add columns 5 and 10
Enter here and on page 1,
Part I, line 8, column (A)Add columns 6 and 11
Enter here and on page 1,
Part I, line 8, column (B)**Totals****Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)**

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

Enter here and on page 1,
Part I, line 9, column (A)Enter here and on page 1,
Part I, line 9, column (B)**Totals****Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)**

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

Enter here and on page 1, Part I,
line 10, col (A)Enter here and on page 1, Part I,
line 10, col (B)Enter here and on page 1,
Part II, line 26**Totals****Schedule J – Advertising Income (see instructions)****Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

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

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6. Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals from Part I ►						
Totals, Part II (lines 1-5) ►	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2 Title	3 Percent of time devoted to business	4. Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ►			

Federal Statements**Statement 1 - Form 990-T, Part I, Line 12 - Other Income**

Description	Amount
PROGRAM AND WEB ADVERTISING	\$ 82,180
TOTAL	<u>\$ 82,180</u>

Statement 2 - Form 990-T, Part II, Line 28 - Other Deductions

Description	Amount
PROGRAM DISTRIBUTION COSTS	\$ 4,565
PRINT COSTS	20,702
DEPRECIATION	3,215
OFFICE SUPPLIES	494
TELEPHONE EXPENSE	399
UTILITIES	373
COMMISSION	11,656
GRAPHIC DESIGN COST	<u>9,438</u>
TOTAL	<u>\$ 50,842</u>