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Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2007

Open to Public Inspection

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

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
JOHN C. CAMPBELL FOLK SCHOOL, INC.

Number and street (or P O box if mail is not delivered to street address) | Room/suite
ONE FOLK SCHOOL ROAD

City or town, state or country, and ZIP + 4
BRASSTOWN NC 28902

D Employer identification number
56-0552780

E Telephone number
828-837-2775

F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify)

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

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)
H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☐ No
I Group Exemption Number ▶
M Check ▶ ☐ if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website: ▶ www.folkschool.com

J Organization type (check only one) ▶ ☒ 501(c) (3) ◀(insert no) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 5,223,793

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

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	367,616		
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d	105,991		
	e	**Total** (add lines 1a through 1d) (cash $ 473,607 noncash $)			1e	473,607
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	3,709,814
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	21,610
	5	Dividends and interest from securities			5	167,678
	6a	Gross rents	6a	1,735		
	b	Less rental expenses	6b			
	c	Net rental income or (loss) Subtract line 6b from line 6a			6c	1,735
	7	Other investment income (describe ▶)			7	

			(A) Securities		(B) Other		
	8a	Gross amount from sales of assets other than inventory		8a	28,678		
	b	Less cost or other basis and sales expenses		8b	52,043		
	c	Gain or (loss) (attach schedule)		8c	-23,365		
	d	Net gain or (loss) Combine line 8c, columns (A) and (B) See Stmt 1				8d	-23,365

	9	Special events and activities (attach schedule) If any amount is from **gaming**, check here ▶ ☐				
	a	Gross revenue (not including $ of contributions reported on line 1b)	9a	100,385		
	b	Less direct expenses other than fundraising expenses	9b	16,255		
	c	Net income or (loss) from special events Subtract line 9b from line 9a			9c	84,130
	10a	Gross sales of inventory, less returns and allowances	10a	720,286		
	b	Less cost of goods sold	10b	682,742		
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a Stmt 2			10c	37,544
	11	Other revenue (from Part VII, line 103)			11	
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	4,472,753
Expenses	13	Program services (from line 44, column (B))			13	2,854,281
	14	Management and general (from line 44, column (C))			14	1,002,508
	15	Fundraising (from line 44, column (D))			15	30,956
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	3,887,745
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12			18	585,008
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	6,736,157
	20	Other changes in net assets or fund balances (attach explanation) See Statement 3			20	210,228
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20			21	7,531,393

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SCANNED JUL 2008

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

DAA

Form **990** (2007)

16 617

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash $ ___ non-cash $ ___) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ ___ non-cash $ ___) If this amount includes foreign grants, check here ▶ ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A See Statement 4	25a	287,850	143,926	143,924	
b Compensation of former officers, directors, key employees, etc listed in Part V-B	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	1,128,566	826,777	301,789	
27 Pension plan contributions not included on lines 25a, b, and c	27	117,183	80,856	36,327	
28 Employee benefits not included on lines 25a – 27	28	281,806	194,446	87,360	
29 Payroll taxes	29	102,765	70,908	31,857	
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	338,401	230,089	108,312	
34 Telephone	34	22,500	16,875	5,625	
35 Postage and shipping	35	32,392	24,294	8,098	
36 Occupancy	36	132,743	99,557	33,186	
37 Equipment rental and maintenance	37				
38 Printing and publications	38	357,929	326,973		30,956
39 Travel	39	182,244	168,155	14,089	
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	193,961	135,773	58,188	
43 Other expenses not covered above (itemize) a See Statement 5	43a	709,405	535,652	173,753	
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 **Total functional expenses.** Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	3,887,745	2,854,281	1,002,508	30,956

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ Yes ☒ No

If "Yes," enter **(i)** the aggregate amount of these joint costs$ ___ , **(ii)** the amount allocated to Program services $ ___ ,

(iii) the amount allocated to Management and general$ ___ , and **(iv)** the amount allocated to Fundraising$ ___

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization How the public perceives an organization in such cases may be determined by the information presented on its return Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

What is the organization's primary exempt purpose? ▶ See Statement 6 All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
a PROVIDING OVER 300 COURSES WITH ATTENDANCE REACHING OVER 4000 STUDENTS FROM ALL OVER THE UNITED STATES. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,854,281
b (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	2,854,281

Part IV Balance Sheets (See the instructions.)

		Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only			(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing			44,657	45	6,625
	46	Savings and temporary cash investments			390,236	46	543,168
	47a	Accounts receivable	47a	13,263			
	b	Less allowance for doubtful accounts	47b		16,066	47c	13,263
	48a	Pledges receivable	48a				
	b	Less allowance for doubtful accounts	48b			48c	
	49	Grants receivable				49	47,500
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att schedule)				50b	
	51a	Other notes and loans receivable (attach schedule)	51a				
	b	Less allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use			171,135	52	178,957
	53	Prepaid expenses and deferred charges			15,329	53	14,413
	54a	Investments—publicly-traded securities	▶ ☐ Cost ☐ FMV			54a	
	b	Investments—other securities (attach schedule)	▶ ☐ Cost ☐ FMV			54b	
	55a	Investments—land, buildings, and equipment basis	55a				
	b	Less accumulated depreciation (attach schedule)	55b			55c	
	56	Investments—other (attach schedule)		See Stmt 7	3,954,726	56	4,415,710
	57a	Land, buildings, and equipment basis	57a	5,200,364			
	b	Less accumulated depreciation (attach schedule) See Statement 8	57b	1,924,016	3,120,256	57c	3,276,348
	58	Other assets, including program-related investments (describe ▶ See Statement 9)			52,939	58	60,948
	59	**Total assets** (must equal line 74) Add lines 45 through 58			7,765,344	59	8,556,932
Liabilities	60	Accounts payable and accrued expenses			455,579	60	309,247
	61	Grants payable				61	
	62	Deferred revenue		See Statement 10	573,608	62	716,292
	63	Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a	Tax-exempt bond liabilities (attach schedule)				64a	
	b	Mortgages and other notes payable (attach schedule)				64b	
	65	Other liabilities (describe ▶)				65	
	66	**Total liabilities.** Add lines 60 through 65			1,029,187	66	1,025,539
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted			6,664,858	67	7,340,841
	68	Temporarily restricted			39,841	68	147,698
	69	Permanently restricted			31,458	69	42,854
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds				70	
	71	Paid-in or capital surplus, or land, building, and equipment fund				71	
	72	Retained earnings, endowment, accumulated income, or other funds				72	
	73	**Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72 (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			6,736,157	73	7,531,393
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73			7,765,344	74	8,556,932

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

a	Total revenue, gains, and other support per audited financial statements			a	4,682,975
b	Amounts included on line a but not on Part I, line 12				
1	Net unrealized gains on investments	b1	210,222		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify)	b4			
	Add lines b1 through b4			b	210,222
c	Subtract line b from line a			c	4,472,753
d	Amounts included on Part I, line 12, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify)	d2			
	Add lines d1 and d2			d	
e	Total revenue (Part I, line 12) Add lines c and d ▶			e	4,472,753

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

a	Total expenses and losses per audited financial statements			a	3,887,739
b	Amounts included on line a but not Part I, line 17				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify)	b4			
	Add lines b1 through b4			b	
c	Subtract line b from line a			c	3,887,739
d	Amounts included on Part I, line 17, but not on line a:				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify) See Statement 11	d2	6		
	Add lines d1 and d2			d	6
e	Total expenses (Part I, line 17) Add lines c and d ▶			e	3,887,745

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
See Statement 12				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

			Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 17			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization " If "Yes," attach a statement that includes the information described in the instructions	75c		X
d	Does the organization have a written conflict of interest policy?	75d		X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
N/A				

Part VI Other Information (See the instructions.)

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization ▶ and check whether it is ☐ exempt or ☐ nonexempt			
81a	Enter direct and indirect political expenditures (See line 81 instructions) 81a 0			
b	Did the organization file Form 1120-POL for this year?	81b		X

Part VI Other Information (continued)

				Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82a		X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?		83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b		
85a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year				
c	Dues, assessments, and similar amounts from members	85c			
d	Section 162(e) lobbying and political expenditures	85d			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h		
86	501(c)(7) orgs Enter **a** Initiation fees and capital contributions included on line 12	86a			
b	Gross receipts, included on line 12, for public use of club facilities	86b			
87	501(c)(12) orgs Enter **a** Gross income from members or shareholders	87a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b			
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX		88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶		88b		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0 , section 4912 ▶ 0 , section 4955 ▶ 0				
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶	0			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶	0			
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g		X

90a List the states with which a copy of this return is filed ▶ NC

b Number of employees employed in the pay period that includes March 12, 2007 (See instructions) 90b 47

91a The books are in care of ▶ JOHN C CAMPBELL FOLK SCHOOL INC Telephone no ▶ 828-837-2722
ONE FOLK SCHOOL RD
Located at ▶ BRASSTOWN, NC ZIP + 4 ▶ 28902

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
	If " Yes," enter the name of the foreign country▶			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1**, Report of Foreign Bank and Financial Accounts			

Part VI Other Information (continued)

			Yes	No
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶	91c		X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			

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

Note: Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a TUITION, HOUSING, MEALS & FEE					3,709,814
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	21,610	
96 Dividends and interest from securities			14	167,678	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			16	1,735	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	-23,365	
101 Net income or (loss) from special events			5	84,130	
102 Gross profit or (loss) from sales of inventory			3	37,544	
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		289,332	3,709,814
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					3,999,146

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

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

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	TUITION, FEES, HOUSING AND MEALS ARE FOR CLASSES OFFERED BY THE SCHOOL TO STUDENTS. MOST STUDENTS LIVE LONG DISTANCES FROM THE SCHOOL.

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

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

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

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

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

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

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

	Yes	No
106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?		

Please Sign Here

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

Marianne O. Hatchett — 6/9/08

Signature of officer — Date

MARIANNE HATCHETT — BUSINESS MANAGER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Candy M Roberts, CPA — CANDY M ROBERTS CPA	Date 5/30/08	Check if self-employed ☐	Preparer's SSN or PTIN (See Gen Instr X) P00180676
Firm's name (or yours if self-employed), address, and ZIP + 4: Turner Ennis Hatchett & Roberts CPA's PA, 31 Peachtree St, Murphy, NC 28906			EIN 56-1225077; Phone no 828-837-8188

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2007

Name of the organization: JOHN C. CAMPBELL FOLK SCHOOL, INC.

Employer identification number 56-0552780

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000		(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl benefit plans & deferred comp	(e) Expense account and other allowances
KAREN BEATY 5556 12 POINT RD	BLAIRSVILLE GA 30512	PROGRAM MGR 40	119,755	5,097	0
SUZANNE HALL 221 BROOKGREEN LN	BRASSTOWN NC 28902	DEVELOPMENT 40	60,968	2,472	0
KEATHER WEIDEMAN 227 HOLLAND RD	BRASSTOWN NC 28902	MKTG MANAGER 40	57,224	2,028	0
TRUMAN MCKILLIP PO BOX 212	MARBLE NC 28905	B&G SUPERVIS 40	55,290	2,252	0
STEVEN CIPRIANO 977 LEVI MATHIS RD	WHITTIER NC 28719	CHEF 40	50,257	0	0
Total number of other employees paid over $50,000 ▶		0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

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

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

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

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

(a) Name and address of each independent contractor paid more than $50,000		(b) Type of service	(c) Compensation
ROBERT TIPTON RT 1 BOX 410A	COPPERHILL TN 37317	CONSTRUCTION	132,700
Total number of other contractors receiving over $50,000 for other services ▶	0		

Part III Statements About Activities (See page 2 of the instructions.)

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

d Enter the total number of donor advised funds owned at the end of the tax year ▶ ______

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

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ 26c

d Add Amounts from column (e) for lines 18 ______ 19 ______ 22 ______ 26b ______ ▶ 26d

e Public support (line 26c minus line 26d total) ▶ 26e

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f %

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " **Do not file this list with your return.** Enter the sum of such amounts for each year N/A

(2006) (2005) (2004) (2003)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year N/A

(2006) (2005) (2004) (2003)

c Add Amounts from column (e) for lines 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c

d Add Line 27a total ______ and line 27b total ______ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶ 27f

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h %

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

Part V Private School Questionnaire (See page 9 of the instructions)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	X	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	X	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	X	
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement) THE RACIALLY NONDISCRIMINATORY POLICY FOR JOHN C. CAMPBELL FOLK SCHOOL, INC. IS PUBILICIZED ANNUALLY IN THE COURSE CATALOG.			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		X
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	X	
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) See Statement 13			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33a		X
b	Admissions policies?	33b		X
c	Employment of faculty or administrative staff?	33c		X
d	Scholarships or other financial assistance?	33d		X
e	Educational policies?	33e		X
f	Use of facilities?	33f		X
g	Athletic programs?	33g		X
h	Other extracurricular activities?	33h		X
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		X
b	Has the organization's right to such aid ever been revoked or suspended?	34b		X
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	X	

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

Check ▶ a ☐ if the organization belongs to an affiliated group Check ▶ b ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table-	41		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

If the amount on line 40 is-	**The lobbying nontaxable amount is-**
Not over $500,000	20% of the amount on line 40
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 13 of the instructions)

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

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

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

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

			Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of			
(i)	Cash	51a(i)		X
(ii)	Other assets	a(ii)		X
b	Other transactions			
(i)	Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii)	Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii)	Rental of facilities, equipment, or other assets	b(iii)		X
(iv)	Reimbursement arrangements	b(iv)		X
(v)	Loans or loan guarantees	b(v)		X
(vi)	Performance of services or membership or fundraising solicitations	b(vi)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

1039 05/30/2008 4 37 PM

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2007

Attachment Sequence No **67**

Name(s) shown on return: JOHN C. CAMPBELL FOLK SCHOOL, INC.

Identifying number: 56-0552780

Business or activity to which this form relates: Indirect Depreciation

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008 Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	171,326

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	22,629
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B-Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b)	(c)	(d)	(e)	(f)	(g)
20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations-see instr	22	193,955
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2007)

DAA

There are no amounts for Page 2

Form **990**

Special Events Schedule

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

2007

Name: JOHN C. CAMPBELL FOLK SCHOOL, INC.

Employer Identification Number: 56-0552780

	(A)	(B)	(C)	Others	Total
Gross receipts	73,842	26,543	0	0	100,385
Less contributions	0	0	0	0	0
Gross revenue	73,842	26,543	0	0	100,385
Less direct expenses	16,255	0	0	0	16,255
Net income (loss)	57,587	26,543	0	0	84,130

Description
(A) FALL FESTIVAL
(B) CRAFT AUCTION
(C)
Others

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
ELECTRIC LIGHTS	Purchase		12/31/01	12/31/07	$	$ 2,231	$ 343	$ -1,888
CRAFT SHOP CARPET	Purchase		1/31/02	12/31/07		816	689	-127
TABLESAW P'MATIC	Purchase		7/31/96	1/29/07	500	1,960	1,960	500
ELECTROLUX VACCUM	Purchase		6/07/02	12/31/07		700	558	-142
1224 ONEWAY LATHE	Purchase		5/29/03	6/07/07	400	1,915	1,094	-421
SERVER	Purchase		4/17/03	12/31/07		5,793	5,407	-386
12 HARNESS LECLERC JACK LOOM	Purchase		1/08/04	7/27/07	900	1,200	614	314
PAINTING BLACKSMITH STUDIO	Purchase		9/16/93	12/31/07		1,127	402	-725
SPRING HOUSE	Purchase		3/01/36	12/31/07		995	861	-134
SILOS	Purchase		12/01/36	12/31/07		1,183	1,012	-171
SILOS	Purchase		3/01/55	12/31/07		1,480	943	-537
ROOF, FORGE & NEW W	Purchase		12/31/90	12/31/07		2,408	1,300	-1,108
FARM HOUSE RENOVATION	Purchase		9/23/87	12/31/07		17,089	9,096	-7,993
ROCK HOUSE GARAGE AP	Purchase		12/30/87	12/31/07		10,958	5,733	-5,225
FARM HOUSE IMPROVEMENTS	Purchase		4/25/88	12/31/07		419	207	-212
NEW FLOOR IN KEITH HS DINING ROOM	Purchase		6/30/92	12/31/07		2,702	2,702	
FORD TRACTOR 5000	Purchase		5/31/98	12/17/07	2,500	4,900	4,900	2,500
YAMAHA PUBLIC ADD SYS	Purchase		9/30/98	12/31/07		2,160	2,160	

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other (continued)

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
BRENT CXC WHEEL	Purchase		10/01/95	6/28/07	$ 250	$ 850	$ 850	$ 250
SENNHEISED MIC J/N 100365	Purchase		5/10/93	12/31/07		1,050	1,050	
DAT 120	Purchase		7/19/93	12/31/07		344	344	
HHB1 PRO RECORDER	Purchase		10/15/93	12/31/07		1,265	1,265	
SLIDE PROJ EKTAGRAPHIC EP	Purchase		11/30/96	12/31/07		621	621	
2 BEDS HUBBEL HOUSE	Purchase		10/01/80	12/31/07		416	416	
TABLES, CHAIRS, ETC.	Purchase		6/12/90	12/31/07		1,075	1,075	
CHINA FIRING KILN	Purchase		11/01/95	8/14/07	150	723	723	150
HUBBLE HOUSE	Purchase		12/31/99	12/31/07		19,077	3,913	-15,164
CANNON REBEL CAMERA	Purchase		12/31/99	12/31/07		749	749	
KILN - PARAGON	Purchase		3/31/99	12/31/07		710	710	
HUSQVARNA RIDING MOWER	Purchase		5/31/99	12/31/07		1,800	1,800	
DISHWASHER	Purchase		9/17/99	12/31/07		722	722	
REFRIGERATOR	Purchase		2/29/00	12/31/07		1,078	1,078	
KILN - 1410 CONTROL	Purchase		4/05/00	12/31/07		1,602	1,602	
CAMERA	Purchase		12/01/00	12/31/07		579	579	
WATERLINE(METER)	Purchase		3/01/00	12/31/07		1,450	757	-693

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other (continued)

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Depr	Gain/ -Loss
REASEAL KEITH HOUSE PARKING LOT	Purchase		12/13/04	12/31/07	$	$ 1,432	$ 294	$ -1,138
FALL FESTIVAL STAGE	Purchase		11/29/05	12/31/07		2,404	128	-2,276
WALKER PUG	Purchase		7/30/06	12/31/07		800	162	-638
ERC NILART FLOOR LOOM 45"	Purchase		12/15/06	7/06/07	390	1,800	150	-1,260
SALE OF POWERMATIC LATHES	Purchase		Various	12/14/07	14,400	12,000	1,571	3,971
US TRUST					67,806			67,806
SIERRA					-100,291			-100,291
UVEST					-70			-70
OTHER					41,743			41,743
Total					$ 28,678	$ 112,583	$ 60,540	$ -23,365

Federal Statements

Statement 2 - Form 990, Line 10c - Sales of Inventory

Description	Gross Sales	COGS	Gross Profit
CRAFT SHOP & DINING HALL	$ 720,286	$ 682,742	$ 37,544
Total	$ 720,286	$ 682,742	$ 37,544

Statement 3 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

Description	Amount
Net Unrealized Gains on Investments	$ 210,222
Book / Tax Deprec Difference	6
Total	$ 210,228

Federal Statements

Statement 4 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
Expenses	$	$	$
JAN DAVIDSON Compensation	84,232	84,231	
MARIANNE HATCHETT Compensation	59,694	59,693	
Total	$ 143,926	$ 143,924	$ 0

Federal Statements

Statement 5 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
Expenses	$	$	$	$
AUTO EXPENSE	18,935		18,935	
BANK CHARGES	520		520	
CREDIT CARD FEES	61,008	61,008		
CONTRACT LABOR	48,405	48,405		
EMPLOYEE DEVELOPMENT	960		960	
INSURANCE	93,068		93,068	
HOST SUBSIDY	4,114		4,114	
INSTRUCTION	411,451	411,451		
STUDENT TRANSPORTATION	14,788	14,788		
TAXES & LICENSES	1,829		1,829	
INVESTMENT EXPENSES	39,821		39,821	
PROFESSIONAL FEES	14,506		14,506	
Total	$ 709,405	$ 535,652	$ 173,753	$ 0

Statement 6 - Form 990, Part III - Organization's Primary Exempt Purpose

Description
THE JOHN C. CAMPBELL FOLK SCHOOL, INC. STRIVES TO ENCOURAGE INDIVIDUAL TALENT AND COMMUNITY LIFE THROUGH THE DEVELOPMENT OF CREATIVE EXPRESSION AND LEARNING BY DOING. ROOTED AS IT IS IN THE HISTORY AND CULTURE OF THE REGION, THE FOLK SCHOOL FOSTERS KNOWLEDGE AND APPRECIATION OF NATURE, MUSIC, DANCE, FOLKLORE, TRADITIONAL AND CONTEMPORARY CRAFTS THROUGH EDUCATION, MARKETING, RESEARCH, ARCHIVING, COMMUNITY SERVICE AND PUBLIC PROGRAMMING.

Federal Statements

Statement 7 - Form 990, Part IV, Line 56 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation
UNITED STATES TRUST COMPANY OF N.Y.	$ 2,482,863	$ 2,896,652	Market
SIERRA INVESTMENTS	1,471,863	1,519,058	Market
Total	$ 3,954,726	$ 4,415,710	

Statement 8 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Depr	End of Year	Accum Depr
	$ 4,816,540	$ 1,790,598	$ 5,106,050	$ 1,924,016
	94,314		94,314	
Total	$ 4,910,854	$ 1,790,598	$ 5,200,364	$ 1,924,016

Statement 9 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
CONSTRUCTION IN PROGRESS	$ 44,714	$ 52,723
UTILITY DEPOSIT	50	50
MUSEUM COLLECTION EXHIBITS	8,175	8,175
Total	$ 52,939	$ 60,948

Statement 10 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
TUITION DEPOSITS	$ 573,608	$ 716,292
Total	$ 573,608	$ 716,292

Federal Statements

Statement 11 - Form 990, Part IV-B - Other Expenses included on Return

Description	Amount
Book / Tax Deprec Difference	$ 6
Total	$ 6

Statement 12 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
WILLIAM BLOCK 179 HILTON ST MURPHY NC 28906	DIRECTOR	1	0	0	0
MIMI CECIL 7 FRITH DRIVE ASHEVILLE NC 28803	DIRECTOR	1	0	0	0
MARTHA COURSEY 3436 BRIARCLIFFE RD NE ATLANTA GA 30345	SECRETARY	1	0	0	0
DAVID HILTON PO BOX 136 MURPHY NC 28906	DIRECTOR	1	0	0	0
CHARLES JACKSON 1499 BLAKE STREET #6F DENVER CO 80202	DIRECTOR	1	0	0	0
JOSEPH MATWICK 2279 CEDAR CLIFF RD HIAWASSEE GA 30546	V. PRESIDENT	1	0	0	0
CHARLEY ORLANDO PO BOX 39 BELMONT NY 14813	PRESIDENT	1	0	0	0
JAN DAVIDSON PO BOX 157 BRASSTOWN NC 28902	CEO	40	168,463	9,040	0
MARIANNE HATCHETT 695 CHATUGE VILLAGE HAYESVILLE NC 28904	BUS MANAGER	40	119,387	18,101	0

Statement 12 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
EDWIN MANCHESTER 209 RANGER HILL MURPHY NC 28906	DIRECTOR	1	0	0	0
DAVID GALLOWAY 805 MT. VERNON HWY ATLANTA GA 30327	DIRECTOR	1	0	0	0
ELLEN MEYER 2030 LENOX COVE CIRCLE ATLANTA GA 30319	DIRECTOR	1	0	0	0
MICHAEL OLIPHANT 525 FOURTH AVE WEST HENDERSONVILLE NC 28739	TREASURER	1	0	0	0
NICK COOK 585 COBB PARKWAY S., SUITE I MARIETTA GA 30060	DIRECTOR	1	0	0	0
RANDY HARRIS 975 COBB PLACE BLVD, SUITE 305 KENNESAW GA 30144	DIRECTOR	1	0	0	0
ANTHONY BAKER PO BOX 381 MILLNECK NY 11765	DIRECTOR	1	0	0	0

Schedule A, Part V, Line 31 - Publication of Nondiscriminatory Policy

Description
THE RACIALLY NONDISCRIMINATORY POLICY FOR JOHN C. CAMPBELL FOLK SCHOOL, INC. IS PUBILICIZED ANNUALLY IN THE COURSE CATALOG.

Statement 13 - Schedule A, Part V, Line 32 - Records Maintenance Explanation

Description
ALL STUDENTS ARE ACCEPTED ON A FIRST COME FIRST SERVE BASIS. CLASSES LAST A WEEK OR TWO AND INSTRUCTORS ARE HIRED ON A TEMPORARY BASIS.