

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
2011
Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Tennessee Aquarium Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite PO Box 11048 City or town, state or country, and ZIP + 4 Chattanooga, TN 37401 F Name and address of principal officer Gordon Stalans 201 Chestnut Street Chattanooga, TN 37402	D Employer identification number 58-1837154 E Telephone number (423) 265-0695 G Gross receipts \$ 20,737,316 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) H(c) Group exemption number
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: www.tnaqua.org		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1989 M State of legal domicile TN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities The Tennessee Aquariums mission is to inspire wonder, appreciation and protection of water and all life that it sustains. The Aquarium is a vital link connecting people to freshwater and the ocean beyond. Our excellent exhibits and dynamic living collection entertain and inform.			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
	3 Number of voting members of the governing body (Part VI, line 1a)	3		15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		15
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5		302
	6 Total number of volunteers (estimate if necessary)	6		525
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a		600,032
	b Net unrelated business taxable income from Form 990-T, line 34	7b		-35,262
Revenue		Prior Year		Current Year
	8 Contributions and grants (Part VIII, line 1h)	2,351,502		2,406,494
	9 Program service revenue (Part VIII, line 2g)	12,713,214		12,378,609
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,024,822		276,008
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,530,035		2,564,569
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	18,619,573		17,625,680
Expenses				
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)			0
	14 Benefits paid to or for members (Part IX, column (A), line 4)			0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	8,157,454		8,196,005
	16a Professional fundraising fees (Part IX, column (A), line 11e)			0
	b Total fundraising expenses (Part IX, column (D), line 25) 847,714			
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	11,671,130		11,390,767
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	19,828,584		19,586,772
	19 Revenue less expenses Subtract line 18 from line 12	-1,209,011		-1,961,092
Net Assets or Fund Balances		Beginning of Current Year		End of Year
	20 Total assets (Part X, line 16)	108,440,614		70,825,686
	21 Total liabilities (Part X, line 26)	60,896,557		26,487,376
	22 Net assets or fund balances Subtract line 21 from line 20	47,544,057		44,338,310

Part II Signature Block

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.

Sign Here	Signature of officer Gordon Stalans Director of Finance Type or print name and title	Date 2012-11-14	
Paid Preparer's Use Only	Preparer's signature Firm's name (or yours if self-employed), address, and ZIP + 4	Date	Check if self-employed <input type="checkbox"/> Preparer's taxpayer identification number (see instructions) EIN Phone no

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission

The Tennessee Aquariums mission is to inspire wonder, appreciation and protection of water and all life that it sustains. The Aquarium is a vital link connecting people to freshwater and the ocean beyond. Our excellent exhibits and dynamic living collection entertain and inform.

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 organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 15,347,507 including grants of \$) (Revenue \$)

Over 655,000 people visited the Aquarium, where they were able to observe and interact with a dynamic living collection to learn concepts about conservation and education. Included in overall attendance numbers were school children on class trips, home school trips and summer camps. Many of these groups learned more about the environment through gallery programs and innovative education presentations. Aquarium staff were able to expand its collection of animals including many threatened and endangered species due to the high level of care they are able to provide. Through education programs designed to be used with exhibits that focus on the Southeastern United States, the Aquarium continued to empower current and future generations to conserve our natural world. Aquarium Education staff take the message outside of Aquarium walls through the Outreach program which provided over 1,000,000 in free education programs and services to schools and communities with a one hundred and fifty mile radius of Chattanooga.

4b (Code) (Expenses \$ 1,469,098 including grants of \$) (Revenue \$)

Throughout the year, the Tennessee Aquarium IMAX Theater provided further enrichment of our conservation and education programs to nearly 250,000 people. In 2011, the theater presented the following conservation and natural science themed films: Under the Sea, African Adventure, Hubble, Ultimate Wave, Born to be Wild, Rescue and Tornado Alley.

4c (Code) (Expenses \$ 773,944 including grants of \$) (Revenue \$)

During the year, the Aquarium operated a 70-passenger high-speed catamaran transporting over 25,000 guests into the Tennessee River Gorge. During the trip, Naturalists provide information about the protected habitat of the Gorge while recounting some of the area's rich history and pointing out wildlife along the way.

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 17,590,549

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)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
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? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
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 U S? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
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 U S? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> <input checked="" type="checkbox"/>	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.		
20b			

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
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, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
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>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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>	32		No
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>	33		No
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>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
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>	36	Yes	
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>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 11		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	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. 302		
2b	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 (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	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 or securities account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	Yes	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year. 7d		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		No
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		No
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.		
13b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the aggregate amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		No
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, 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		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed TN
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made 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 made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 Gordon Stalans
 201 Chestnut Street
 Chattanooga, TN 37402
 (423) 785-2054

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

• List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Ted Alling Trustee	1 00	X						0	0	0
(2) James C Berry Trustee	1 00	X						0	0	0
(3) Katherine Currin Trustee	1 00	X						0	0	0
(4) Ward Davenport Trustee	1 00	X						0	0	0
(5) John Giblin Trustee	1 00	X						0	0	0
(6) Kim Honeycutt Trustee	1 00	X						0	0	0
(7) William McCollum Jr Trustee	1 00	X						0	0	0
(8) Dr Phil Oldham Trustee	1 00	X						0	0	0
(9) Jeff Parker Trustee	1 00	X						0	0	0
(10) John Phillips Jr Trustee	1 00	X						0	0	0
(11) Alice Smith Trustee	1 00	X						0	0	0
(12) Walter Williams Trustee	1 00	X						0	0	0
(13) Paul K Brock Jr Trustee, Chairman	4 00	X		X				0	0	0
(14) Bob Lyons Trustee, Treasurer	2 00	X		X				0	0	0
(15) Alison Lebovitz Trustee, Secretary	2 00	X		X				0	0	0
(16) Charles L Arant President	40 00			X	X			274,458	0	0
(17) Jackson Andrews Director of Husbandry/Ops	40 00				X			142,801	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Gordon Stalans Director of Finance/IT	40 00					X		145,893	0	0
(19) Judith Powell Director of Development/Retail	40 00					X		110,296	0	0
(20) Cynthia Todd Director of Marketing	40 00					X		112,920	0	0
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								786,368		

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Counts Company 102 Cedar Lane Chattanooga, TN 37421	Construction firm	335,366
Blue Cross Blus Shield 1 Cameron Hill Circle Chattanooga, TN 37402	Group medical insurance	607,153
Imax Corporation 1630 Stewart Street Suite 100 Santa Monica, CA 90404	Film licenses	287,795
Manne Max East Inc 201 Riverfront Parkway Chattanooga, TN 37402	Boat fuel	147,868
Zurch North America 8712 Innovation Way Chicago, IL 60682	Insurance	130,313

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **11**

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	1a	Federated campaigns 1a					
	b	Membership dues 1b	1,453,734				
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e	709,245				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	243,515				
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f ▶		2,406,494			
Program Service Revenue			Business Code				
	2a	Admissions revenue	713990	11,200,544	11,200,544		
	b	Education program fees	611710	324,916	324,916		
	c	Parking fees	812930	497,935	497,935		
	d	Photography fees	713990	355,214	355,214		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f ▶		12,378,609			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶		131,582		131,582	
	4	Income from investment of tax-exempt bond proceeds . . . ▶					
	5	Royalties ▶					
	6a	(i) Real		(ii) Personal			
			Gross rents	418,948			
		b	Less rental expenses	130,188			
		c	Rental income or (loss)	288,760			
	d	Net rental income or (loss) ▶		288,760	288,760		
	7a	(i) Securities		(ii) Other			
			Gross amount from sales of assets other than inventory	1,960,005			
		b	Less cost or other basis and sales expenses	1,815,579			
		c	Gain or (loss)	144,426			
	d	Net gain or (loss) ▶		144,426			
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
	a		82,899				
	b	Less direct expenses b	28,759				
	c	Net income or (loss) from fundraising events . . . ▶		54,140			
	9a	Gross income from gaming activities See Part IV, line 19					
a							
b	Less direct expenses b						
c	Net income or (loss) from gaming activities . . . ▶						
10a	Gross sales of inventory, less returns and allowances						
	a		2,930,226				
	b	Less cost of goods sold b	1,137,110				
c	Net income or (loss) from sales of inventory . . . ▶		1,793,116	1,371,734	421,382		
Miscellaneous Revenue		Business Code					
11a	Sponsorship income	713990	221,881	221,881			
b	Contract administrative services revenue	541610	178,650		178,650		
c	Ticketing service charges	713990	5,134	5,134			
d	All other revenue		22,888		22,888		
e	Total. Add lines 11a-11d ▶		428,553				
12	Total revenue. See Instructions ▶		17,625,680	14,266,118	600,032	154,470	

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)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(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 United States See Part IV, line 21	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	274,458	192,120	52,147	30,191
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	6,284,262	5,809,718	179,876	294,668
7	Other salaries and wages	0			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	350,152	322,628	11,424	16,100
9	Other employee benefits	817,114	743,304	29,941	43,869
10	Payroll taxes	470,019	432,580	15,482	21,957
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	2,547		2,547	
c	Accounting	40,000		40,000	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	11,885		11,885	
g	Other	808,722	667,823	53,543	87,356
12	Advertising and promotion	825,202	624,927	73,186	127,089
13	Office expenses	1,111,530	1,009,473	51,535	50,522
14	Information technology	219,555	192,989	20,638	5,928
15	Royalties	359,938	359,938		
16	Occupancy	1,946,504	1,718,565	187,346	40,593
17	Travel	123,064	117,430	3,110	2,524
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	17,096	16,034	581	481
20	Interest	887,701	710,161	88,770	88,770
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	3,926,554	3,629,002	287,774	9,778
23	Insurance	0			
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Film print costs	67,641	67,641		
b	Repairs maintenance	402,404	383,047	16,687	2,670
c	Speciman care collection	296,303	296,303		
d	Taxes Licenses	76,198	66,103	5,359	4,736
e					
f	All other expenses	267,923	230,763	16,678	20,482
25	Total functional expenses. Add lines 1 through 24f	19,586,772	17,590,549	1,148,509	847,714
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	263,230	1	636,905
	2 Savings and temporary cash investments	37,156,122	2	1,141,907
	3 Pledges and grants receivable, net	180,615	3	132,363
	4 Accounts receivable, net	522,869	4	816,157
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees 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	227,404	8	184,869
	9 Prepaid expenses and deferred charges	309,731	9	280,521
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	113,276,656		
	b Less accumulated depreciation	51,540,283	10c	61,736,373
	11 Investments—publicly traded securities	3,905,946	11	4,812,555
	12 Investments—other securities See Part IV, line 11	972,600	12	997,600
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	542,312	15	86,436
16 Total assets. Add lines 1 through 15 (must equal line 34)	108,440,614	16	70,825,686	
Liabilities	17 Accounts payable and accrued expenses	1,478,193	17	1,096,580
	18 Grants payable		18	
	19 Deferred revenue	780,371	19	814,965
	20 Tax-exempt bond liabilities	56,000,000	20	21,032,928
	21 Escrow or custodial 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	2,594,128	23	2,484,207
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	43,865	25	1,058,696
	26 Total liabilities. Add lines 17 through 25	60,896,557	26	26,487,376
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	47,544,057	27	44,338,310
	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 or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	47,544,057	33	44,338,310	
34 Total liabilities and net assets/fund balances	108,440,614	34	70,825,686	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	17,625,680
2	Total expenses (must equal Part IX, column (A), line 25)	2	19,586,772
3	Revenue less expenses Subtract line 2 from line 1	3	-1,961,092
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	47,544,057
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,244,655
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	44,338,310

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
Tennessee Aquarium

Employer identification number

58-1837154

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 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 exempt 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).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	4,105,122	1,911,140	2,082,251	2,351,502	2,406,494	12,856,509
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	4,105,122	1,911,140	2,082,251	2,351,502	2,406,494	12,856,509
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						12,856,509

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	4,105,122	1,911,140	2,082,251	2,351,502	2,406,494	12,856,509
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	809,076	726,863	608,441	554,461	131,582	2,830,423
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets	13,952,095	13,651,392	14,006,555	14,594,059	14,266,118	70,470,219
11 Total support (Add lines 7 through 10)						86,157,151

12 Gross receipts from related activities, etc (See instructions)	12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here	<input type="checkbox"/>	

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	14.920 %
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15	14.140 %
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization <input type="checkbox"/>		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	0 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	0 %
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Part II Line 10 Other income is comprised of program service expenses Part II Line 17a Organization maintains a development and membership department with a total staff of seven that solicit funds from the general public, community groups, members, government and other charities Support comes from periodic capital campaigns, grants from government agencies and private foundations The governing board is diverse and represents the public interest The organization provides facilities that are open every day for the general public to develop an appreciation of the natural world

Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization Tennessee Aquarium

Employer identification number 58-1837154

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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?
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 for any other purpose conferring impermissible private benefit?

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): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically importantly land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

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, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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)?

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, 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
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

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 Escrow and Custodial Arrangements. Complete if the 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 Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f 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 the 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

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,484,445		4,484,445
b Buildings		82,568,795	31,224,789	51,344,006
c Leasehold improvements		894,325	893,048	1,277
d Equipment		20,692,510	17,796,274	2,896,236
e Other		4,636,581	1,626,172	3,010,409
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				61,736,373

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)	1	17,625,680
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	19,586,772
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,961,092
4	Net unrealized gains (losses) on investments	4	-1,244,655
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	45,983
9	Total adjustments (net) Add lines 4 - 8	9	-1,198,672
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-3,159,764

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	19,023,877
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-229,824
b	Donated services and use of facilities	2b	261,000
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	1,378,906
e	Add lines 2a through 2d	2e	1,410,082
3	Subtract line 2e from line 1	3	17,613,795
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	11,885
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	11,885
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	17,625,680

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

1	Total expenses and losses per audited financial statements	1	22,183,641
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	261,000
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	2,347,754
e	Add lines 2a through 2d	2e	2,608,754
3	Subtract line 2e from line 1	3	19,574,887
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	11,885
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	11,885
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	19,586,772

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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
XI	8	Net gain on wholly owned subsidiary 45,983
XII	2d	Cost of goods sold 1,137,110 facility rental costs 130,188 Fundraiser direct expenses 28,759 subsidiary revenue 82,849
XIII	2d	Cost of goods sold 1,137,110 facility rental costs 130,188 Fundraiser direct expenses 28,759 subsidiary expenses 36,866 loss on value of derivative 1,014,831

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization Tennessee Aquarium

Employer identification number 58-1837154

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a Mail solicitations
b Internet and e-mail solicitations
c Phone solicitations
d In-person solicitations
e Solicitation of non-government grants
f Solicitation of government grants
g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		Serve Protect (event type)	(event type)	(total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	82,899			82,899
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)	82,899			82,899
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	28,759			28,759
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(28,759)
11 Net income summary Combine lines 3 and 10 in column (d) ▶				54,140	

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7 Direct expense summary Add lines 2 through 5 in column (d) ▶				()	
8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶					

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? Yes No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No

b If "Yes," Explain _____

- 11** Does the organization operate gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a
b An outside facility	13b

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____

c If "Yes," enter name and address

Name ▶

Address ▶

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

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For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
Tennessee Aquarium

Employer identification number

58-1837154

Part I Questions Regarding Compensation

Yes No

1a 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

- First-class or charter travel
- Travel for companions
- Tax idemnification and gross-up payments
- Discretionary spending account
- Housing allowance or residence for personal use
- Payments for business use of personal residence
- Health or social club dues or initiation fees
- Personal services (e g , maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

1b Yes

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?

2 Yes

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- Compensation committee
- Independent compensation consultant
- Form 990 of other organizations
- Written employment contract
- Compensation survey or study
- Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

4a No

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

4b No

c Participate in, or receive payment from, an equity-based compensation arrangement?

4c No

If "Yes" to any of lines 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 only must complete lines 5-9.

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?

5a No

b Any related organization?

5b No

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?

6a No

b Any related organization?

6b No

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

7 For persons 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

7 Yes

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

8 No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

9

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Charles L Arant	(i) (ii)	240,075	12,246	4,984	17,153	274,458		
(2) Jackson Andrews	(i) (ii)	124,026	8,159	1,656	8,960	142,801		
(3) Gordon Stalans	(i) (ii)	119,010	16,802	575	9,506	145,893		
(4) Judith Powell	(i) (ii)	95,672	6,295	1,196	7,133	110,296		
(5) Cynthia Todd	(i) (ii)	95,226	9,905	432	7,357	112,920		

Part III Supplemental Information

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.

Identifier	Return Reference	Explanation
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**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).

▶ Attach to Form 990. ▶ See separate instructions.

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
Tennessee Aquarium

Employer identification number

58-1837154

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Industrial Development Board of Hamilton County	52-1303489		12-31-2010	21,500,000	To refinance existing bonds. The purpose of the existing bonds was to construct various aquarium bui		X		X		X

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired	21,500,000			
2 Amount of bonds defeased				
3 Total proceeds of issue				
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrow				
7 Issuance costs from proceeds	86,537			
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds	21,413,463			
12 Other unspent proceeds				
13 Year of substantial completion				
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X			
15 Were the bonds issued as part of an advance refunding issue?		X		
16 Has the final allocation of proceeds been made?		X		
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?				

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use?		X						
b If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?		X						
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	2 000 %							
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	2 000 %							
6 Total of lines 4 and 5	4 000 %							
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X							
2 Is the bond issue a variable rate issue?	X							
3a Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X							
b Name of provider	First Horizon							
c Term of hedge	0000000012 000000000000							
d Was the hedge superintegrated?		X						
e Was a hedge terminated?		X						
4a Were gross proceeds invested in a GIC?		X						
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X						
6 Did the bond issue qualify for an exception to rebate?		X						

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations Yes No

Part VI Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
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Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization Tennessee Aquarium

Employer identification number 58-1837154

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 4 columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization.

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 3 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Chattanooga Land Company	Former trustee is a significant owner of the entity	122,028	Real property rental		No
(2) BCBST	Former trustee is CEO	657,330	Health insurance provider payment		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization
Tennessee Aquarium

Employer identification number

58-1837154

Identifier	Return Reference	Explanation
Form 990 Part VI	12c	0
Form 990 Part VI	15ab	Salary adjustments for CEO approved by Executive Committee after reviewing market data and competitive salaries
		Form 990 Part VI Section B Line 12c Form 990 Part VI Section B Line 15ab Salary adjustments for CEO approved by Executive Committee after reviewing market data and competitive salaries

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
Tennessee Aquarium

Employer identification number

58-1837154

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Tennessee Aquarium Research Institute One Broad Street Chattanooga, TN 37402 62-1648605	Aquatic research	TN	501c3	170b1av1	Tennessee Aquarium		No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(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, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(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

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

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 related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o	Yes	
1p		No
1q		No
1r		No

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	(d) Method of determining amount involved
(1) Tennessee Aquarium Research Institute	o	4,797	
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
------------	------------------	-------------	--

Schedule R (Form 990) 2011

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2011, or tax year beginning _____, 2011, and ending _____, 20_____

2011

Department of the Treasury
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Name of exempt organization

Employer identification number

Tennessee Aquarium

58-1837154

Part I Type of Return and Return Information (Whole Dollars Only)


Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line of the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	17,625,680
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	0
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	0
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b	0
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance due (Form 8868, Part I, line 3c or Part II, line 8c)	5b	0

Part II Declaration of Officer

- 6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.
- If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund.

Sign Here ▶  | 11/14/2012 | ▶ Director of Finance
Signature of officer | Date | Title

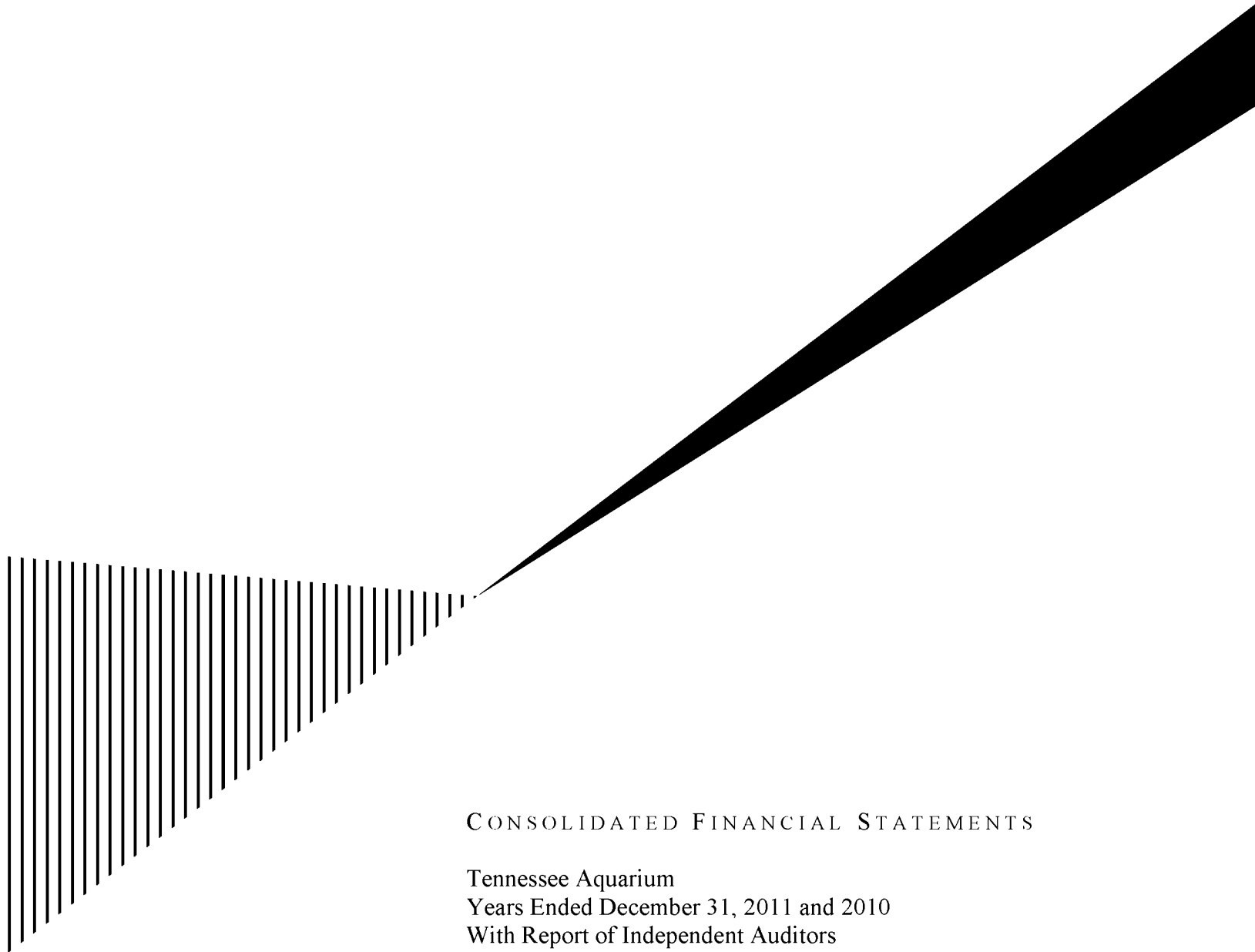
Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature	Date	Check if also paid preparer <input type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed)				EIN
	address, and ZIP code				Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name				Firm's EIN
	Firm's address				Phone no.



CONSOLIDATED FINANCIAL STATEMENTS

Tennessee Aquarium
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP



Tennessee Aquarium

Consolidated Financial Statements

Years Ended December 31, 2011 and 2010

Contents

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Report of Independent Auditors

The Board of Trustees
Tennessee Aquarium

We have audited the accompanying consolidated statements of financial position of the Tennessee Aquarium (the Aquarium) as of December 31, 2011 and 2010, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Aquarium'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Aquarium's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aquarium's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 consolidated financial position of the Tennessee Aquarium as of December 31, 2011 and 2010, and the consolidated changes in their net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

June 18, 2012

Tennessee Aquarium

Consolidated Statements of Financial Position

	December 31	
	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,845,008	\$ 2,755,320
Cash restricted for debt payoff	—	34,720,907
Contributions receivable	132,363	87,287
Inventories	184,869	227,404
Accounts receivable	811,360	480,926
Prepaid expenses	280,521	309,731
Total current assets	<u>3,254,121</u>	<u>38,581,575</u>
Property and equipment		
Land	4,484,445	4,484,445
Buildings	82,568,795	82,568,795
Equipment, furniture, and fixtures	25,946,384	24,971,775
Construction in progress	292,197	423,042
	<u>113,291,821</u>	<u>112,448,057</u>
Less accumulated depreciation	51,555,450	48,088,272
Total property and equipment	<u>61,736,371</u>	<u>64,359,785</u>
Other assets		
Contributions receivable, less current portion	—	93,328
Accrued investment income	3	489
Investments at fair value	5,810,155	4,878,546
Other assets	86,440	542,312
Total other assets	<u>5,896,598</u>	<u>5,514,675</u>
Total assets	<u><u>\$ 70,887,090</u></u>	<u><u>\$ 108,456,035</u></u>

	December 31	
	2011	2010
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 532,521	\$ 532,965
Accrued expenses	586,548	967,717
Current portion of long-term debt	465,621	34,937,851
Deferred membership revenue	771,764	723,625
Other deferred revenue	43,201	56,746
Other liabilities	1,058,696	43,865
Total current liabilities	<u>3,458,351</u>	37,262,769
Long-term portion of notes payable	2,484,207	2,594,128
Long-term debt	20,567,307	21,062,149
Total liabilities	<u>26,509,865</u>	60,919,046
Net assets		
Unrestricted	44,377,225	47,536,989
Total net assets	<u>44,377,225</u>	47,536,989
Total liabilities and net assets	<u><u>\$ 70,887,090</u></u>	<u><u>\$ 108,456,035</u></u>

See accompanying notes.

Tennessee Aquarium

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2011	2010
Changes in unrestricted net assets		
Revenues and gains		
Admissions	\$ 11,200,544	\$ 11,601,087
Ancillary sales	3,783,375	3,802,356
Membership dues	1,453,734	1,578,760
Investment income	34,299	1,284,244
Contributions	1,295,509	1,033,201
Fundraising event	82,899	-
Other income	1,173,517	1,052,843
	19,023,877	20,352,491
Expenses and losses		
Programming	8,698,907	8,674,270
Guest services	2,042,354	2,092,481
Management and general	2,564,428	2,527,022
Marketing costs	1,719,211	2,111,677
Fundraising costs	192,545	159,989
Cost of ancillary sales	1,137,110	1,102,141
Financing costs	887,701	1,006,001
Depreciation and amortization	3,926,554	3,619,887
Loss on change in fair market value of derivative	1,014,831	43,865
	22,183,641	21,337,333
Decrease in unrestricted net assets	(3,159,764)	(984,842)
Change in net assets	(3,159,764)	(984,842)
Net assets at beginning of year	47,536,989	48,521,831
Net assets at end of year	\$ 44,377,225	\$ 47,536,989

See accompanying notes.

Tennessee Aquarium

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2011	2010
Operating activities		
Change in net assets	\$ (3,159,764)	\$ (984,842)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,926,554	3,619,887
Realized and unrealized (gain) loss on investments	97,283	(729,783)
Changes in operating assets and liabilities		
Decrease in contributions receivable	48,252	587,775
(Increase) decrease in inventories	42,535	(18,167)
(Increase) decrease in accounts receivable	(330,434)	118,550
Decrease in prepaid expenses	29,210	75,159
Increase (decrease) in other noncurrent assets	(3,503)	(86,537)
Increase (decrease) in accounts payable and accrued expenses	(381,613)	322,518
Increase (decrease) in other liabilities	1,049,425	(124,468)
Increase (decrease) in other noncurrent liabilities	-	(25,000)
Net cash provided by operating activities	1,317,945	2,755,092
Investing activities		
Proceeds from sale of investments, net	(1,028,406)	10,839,481
Net purchases of property and equipment	(843,765)	(763,202)
Net cash provided by (used in) investing activities	(1,872,171)	10,076,279
Financing activities		
Proceeds of long-term borrowings	-	21,500,000
Funding of restricted cash for debt pay off	-	(34,720,907)
Use of restricted cash for debt pay off	34,720,907	-
Payments of long-term borrowings	(35,076,993)	-
Net cash used in financing activities	(356,086)	(13,220,907)
Net decrease in cash and cash equivalents	(910,312)	(389,536)
Cash and cash equivalents at beginning of year	2,755,320	3,144,856
Cash and cash equivalents at end of year	\$ 1,845,008	\$ 2,755,320
Supplemental disclosure of cash flow information		
Cash paid during the year for interest, net of capitalized interest	\$ 831,337	\$ 108,853

See accompanying notes

Tennessee Aquarium

Notes to Consolidated Financial Statements

December 31, 2011

1. Summary of Significant Accounting Policies

Description of Business

Tennessee Aquarium and the Tennessee Aquarium Research Institute (the Aquarium) are nonprofit corporations and are exempt from federal and state income tax under Section 501(a) as organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Aquarium provides a center for the general public to improve their awareness, understanding, and enjoyment of all forms of aquatic life. Principal Aquarium programs include facility and ancillary operations, animal husbandry and care, membership services, education, an eco-tour boat, and an IMAX theater.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Tennessee Aquarium and the Tennessee Aquarium Research Institute. All intercompany transactions and accounts have been eliminated.

Net Assets

The Aquarium's net assets and its support and revenues are classified based on the existence or absence of donor-imposed restrictions using the following classifications: unrestricted, temporarily restricted, and permanently restricted. These classifications are defined as follows:

1. Unrestricted net assets are not subject to donor restrictions and are utilized to account for public support and program revenues that are unrestricted in nature and may be designated for specific purposes by the Board of Directors. All of the Aquarium's net assets at December 31, 2011, were unrestricted.
2. Temporarily restricted net assets are utilized to account for contributions that are subject to donor imposed restrictions that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. It is the Aquarium's policy to record temporarily restricted contributions received and expended in the same accounting period in the unrestricted net asset class category.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

1 Summary of Significant Accounting Policies (continued)

- 3 Permanently restricted net assets are subject to donor imposed restrictions that require that they be retained and invested permanently by the Aquarium. The donors may require the Aquarium to use all or part of the investment return on permanently restricted net assets for unrestricted or restricted purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

Subsequent Events

Management has reviewed transactions and events occurring between December 31, 2011 and June 18, 2012, for any that would require recognition or disclosure in the accompanying consolidated financial statements.

Revenue Recognition

Revenue is recognized on admission tickets and ancillary sales on a cash basis.

Contributions are recognized as revenue when an unconditional promise to give is made or when cash is received, if an unconditional promise does not exist. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Proceeds from the sale of annual memberships are recognized ratably over the period for which the membership is valid.

The Aquarium has entered into a long-term sponsorship agreement with one sponsor. This agreement is for a term of 20 years, and the unamortized portion of the sponsorship fee is refundable at the request of the donor. The entire sponsorship fee was received upon execution of the agreement. Revenue from the agreement is being recognized over the life of the agreement.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable represents unconditional promises to give. In 2007, the Aquarium launched a capital campaign to fund its Penguins' Rock exhibit, which opened in 2007. All unconditional pledges received were recognized as revenue in 2007. The pledges were payable over periods of less than one year, one to five years, or in more than five years. The Aquarium had \$132,363 and \$87,287 of contributions receivable due in less than twelve months and \$0 and \$93,328 due after one year, as of December 31, 2011 and 2010, respectively.

Grants

In September 2009, the Aquarium was awarded a grant expected to total \$1,352,253 from the National Oceanic and Atmospheric Administration (NOAA). The grant is to be used to enhance and expand the Aquarium's environmental education programming over a three year period. The proceeds of the grant will be paid as reimbursements to the Aquarium as expenses are incurred. The Aquarium has incurred \$127,718 and \$97,925 of grant-related expenses that had not been reimbursed but are recognized in accounts receivable as of December 31, 2011 and 2010, respectively.

Cash and Cash Equivalents

The Aquarium considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash

In 2010, the Aquarium refinanced its long-term bond debt. The Aquarium's existing bondholders were notified on the required dates that the bonds would be called on January 3, 2011. In order to fund the bond repayment, the Aquarium borrowed \$21,500,000 (as described in Note 5). In addition, the Aquarium liquidated \$13,220,907 of its investments. The total of \$34,720,907 was deposited in an account on December 30, 2010, in order to fund the bond repayment made on January 3, 2011.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is recorded on the cost basis. Property and equipment placed into service is depreciated using the straight-line method over estimated useful lives, ranging from 3 to 40 years.

Inventory

The cost incurred with respect to the purchase or capture of specimens, food, and other supplies not held for sale are expensed as incurred.

The gift shop inventory is valued at the lower of first-in, first-out (FIFO) cost or market.

Advertising Costs

The Aquarium expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2011 and 2010, was approximately \$743,208 and \$1,117,639, respectively.

Investments

Marketable investments in equities and debt securities are carried at fair value based upon market prices, pursuant to Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (ASC 820). This statement defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurement. The adoption of ASC 820 did not have a material effect on the Aquarium's consolidated financial position or related changes in net assets. As required by ASC 820, financial assets and liabilities are categorized based upon the level of judgment associated with the inputs used to measure the fair value into the following hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Unadjusted quoted prices in active markets for similar assets or liabilities or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable for the asset or liability

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Realized gains and losses on the sale of investments are computed using the specific-identification method. Investment income is presented net of investment expense. Investment expense for the years ended December 31, 2011 and 2010, was approximately \$11,900 and \$51,400, respectively.

Included in investments in the accompanying consolidated statements of financial position are \$0 and \$35,200 of investments that mature in one year or less, as of December 31, 2011 and 2010, respectively.

Derivatives

Until May 1, 2009, the Aquarium used an interest rate swap to hedge interest rate risks associated with certain of its long-term debt. On December 21, 2010, the Aquarium entered into a new interest rate swap agreement associated with a portion of its new debt structure. The basic type of risk associated with derivatives is market risk (that the value of the derivative will be adversely impacted by changes in the market, primarily the change in interest rates). The market risk of the derivatives should generally offset the market risk associated with the hedged liability. The agreements involve payments of fixed-rate amounts in exchange for the receipt of variable-rate interest payments over the life of the agreements without an exchange of the underlying principal amounts. The Aquarium records the derivative at fair value and changes in fair value are included in the accompanying consolidated statements of activities and changes in net assets. The fair value of the swap comprises the balance of other liabilities in the accompanying consolidated statements of financial position at December 31, 2011 and 2010. Recognition of the value of the 2010 swap agreement resulted in a loss of \$1,014,831 and \$43,865 that is included in the accompanying consolidated statements of activities and changes in net assets in 2011 and 2010, respectively.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Classification of Expenses

The Aquarium classifies expenses as programming expenses or support expenses. Programming expenses are the activities that fulfill the Aquarium's mission and include its husbandry, facility operations, education, and research expenses. For the year ended December 31, 2011, programming expenses for the Aquarium include all programming, 94% of financing costs, and 90% of depreciation and amortization in the accompanying consolidated statements of activities and changes in net assets. For the year ended December 31, 2010, programming expenses for the Aquarium include all programming, 94% of financing costs, and 89% of depreciation and amortization in the accompanying consolidated statements of activities and changes in net assets.

Support expenses are all activities other than programming and include guest services, retail, marketing costs, human resources, and management and general expenses. Support expenses for the Aquarium include all guest services, management and general, marketing costs, and cost of ancillary sales included in the accompanying consolidated statements of activities and changes in net assets. All fundraising costs are classified as support expenses. For the year ended December 31, 2011, support expenses also include 6% of financing costs and 10% of depreciation and amortization in the accompanying consolidated statements of activities and changes in net assets. For the year ended December 31, 2010, support expenses also include 6% of financing costs and 11% of depreciation and amortization in the accompanying consolidated statements of activities and changes in net assets.

2. Donated Services

The Aquarium received contributed services valued at approximately \$261,000 and \$248,000 in 2011 and 2010, respectively, from participants in its Volunteer Diver program. Such contributed services have been recognized as unrestricted contributions and as programming expenses as individuals possessing specialized skills are required and would otherwise need to be purchased if not provided by donation.

The Aquarium also received contributed services in its other volunteer programs. These contributed services have not been recorded because no specialized skills are required.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

3. Lease Commitments

The Aquarium leases equipment and office space pursuant to agreements that expire from 2012 to 2016. Future minimum rental payments under the lease agreements are as follows:

2012	\$ 300,676
2013	300,676
2014	237,106
2015	159,401
2016	66,733
	\$ 1,064,592

The Aquarium's total rent expense for the years ended December 31, 2011 and 2010, was \$411,542 and \$270,976, respectively.

4. Investments

Investments at December 31, 2011 and 2010, are composed of the following:

	2011		
	Fair Market Value	Cost	Net Unrealized Loss
Mutual funds	\$ 4,812,555	\$ 4,853,258	\$ (40,703)
Certificates of deposit	997,600	1,000,000	(2,400)
Total	\$ 5,810,155	\$ 5,853,258	\$ (43,103)

	2010		
	Fair Market Value	Cost	Net Unrealized Gain (Loss)
Mutual funds	\$ 3,870,746	\$ 3,671,315	\$ 199,431
Federal agency bonds	35,200	35,982	(782)
Certificates of deposit	972,600	1,000,000	(27,400)
Total	\$ 4,878,546	\$ 4,707,297	\$ 171,249

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

4. Investments (continued)

The net change in unrealized gain (loss) on investments is included in investment income in the accompanying consolidated statements of activities and changes in net assets and is included in the realized and unrealized gain on the accompanying consolidated statements of cash flows

Investments that had been in a continuous unrealized loss position for greater than 12 months at December 31 were as follows

	2011		
	Fair Market Value	Cost	Net Unrealized Loss
Certificates of deposit	\$ 997,600	\$ 1,000,000	\$ (2,400)
Mutual funds	409,818	424,310	(14,492)
Total	\$ 1,407,418	\$ 1,424,310	\$ (16,892)

	2010		
	Fair Market Value	Cost	Net Unrealized Loss
Certificates of deposit	\$ 972,600	\$ 1,000,000	\$ 27,400
Total	\$ 972,600	\$ 1,000,000	\$ 27,400

Investments that had been in a continuous unrealized loss position for less than 12 months at December 31 were as follows

	2011		
	Fair Market Value	Cost	Net Unrealized Loss
Mutual funds	\$ 478,313	\$ 500,441	\$ (22,128)
Total	\$ 478,313	\$ 500,441	\$ (22,128)

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

4. Investments (continued)

The Aquarium's financial assets and liabilities carried at fair value have been classified based upon the hierarchy defined by ASC 820. The following table provides information as of December 31, 2011 and 2010, respectively, about the Aquarium's financial assets and liabilities measured at fair value.

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Mutual funds	\$ 4,812,555	\$ –	\$ –	\$ 4,812,555
Certificates of deposit	–	997,600	–	997,600
Total assets at fair value	\$ 4,812,555	\$ 997,600	\$ –	\$ 5,810,155
Liabilities at fair value				
Interest rate swap	\$ –	\$ 1,058,696	\$ –	\$ 1,058,696
Total liabilities at fair value	\$ –	\$ 1,058,696	\$ –	\$ 1,058,696
	December 31, 2010			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Mutual funds	\$ 3,870,746	\$ –	\$ –	\$ 3,870,746
Federal agency bonds	–	35,200	–	35,200
Certificates of deposit	–	997,600	–	997,600
Total assets at fair value	\$ 3,870,746	\$ 1,032,800	\$ –	\$ 4,903,546
Liabilities at fair value				
Interest rate swap	\$ –	\$ 43,865	\$ –	\$ 43,865
Total liabilities at fair value	\$ –	\$ 43,865	\$ –	\$ 43,865

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt

The Industrial Development Board of the County of Hamilton, Tennessee, issued \$30,000,000 of Industrial Development Revenue Bonds Series 1991 (the Series 1991 Bonds) on July 11, 1991. The entire proceeds of the Series 1991 Bonds were loaned to the Aquarium pursuant to a loan agreement dated July 1, 1991, which had terms substantially identical to terms of the Series 1991 Bonds. During June of 1993, the Aquarium repaid \$24,500,000 of the Series 1991 Bonds and refinanced the remaining \$5,500,000 of bonds with a new lender. The refinanced \$5,500,000 Series 1991 Bonds were to mature in their entirety on July 1, 2021, but were paid off on January 3, 2011.

During 1996, the Aquarium completed construction of the Tennessee Aquarium Imax Center, including an IMAX® 3D theater, an environmental learning lab and office space for Aquarium personnel. The total cost of the project was approximately \$14,000,000 and the project was completed in July of 1996. On January 26, 1995, the Board of Trustees approved the decision to finance the project with tax-exempt bonds. The Industrial Development Board of the County of Hamilton, Tennessee, issued \$14,000,000 of Industrial Development Revenue Bonds Series 1995 (the Series 1995 Bonds) on March 24, 1995. The entire proceeds of the Series 1995 Bonds were loaned to the Aquarium pursuant to a loan agreement dated March 1, 1995, which had terms substantially identical to terms of the Series 1995 Bonds. The Series 1995 Bonds were to mature on March 1, 2015, but were paid off on January 3, 2011.

During 2005, the Aquarium completed construction of the Tennessee Aquarium Ocean Journey building. The total cost of the project was approximately \$33,200,000 and the project was completed in April of 2005. On January 22, 2004, the Board of Trustees approved the decision to partially finance the project with tax-exempt bonds. On April 29, 2004, the Industrial Development Board of the City of Chattanooga, Tennessee, issued \$15,000,000 of Industrial Development Revenue Bonds Series 2004 (the Series 2004 Bonds). The entire proceeds of the Series 2004 Bonds were loaned to the Aquarium pursuant to a loan agreement dated April 1, 2004, which had terms substantially identical to the terms of the Series 2004 Bonds. The 2004 Series Bonds were to mature in their entirety on April 1, 2024, but were paid off on January 3, 2011.

Interest on all of the aforementioned bond series was at a variable rate determined weekly and payable monthly. During 2010, interest rates ranged from 0.14% to 0.90%. All three bond series were secured by a mortgage on the Aquarium's property and direct pay letters of credit expiring on April 29, 2011. All letters of credit may terminate sooner than their expressed expiration dates upon the occurrence of certain conditions.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt (continued)

In October, 2010 the Board of Trustees approved the decision to restructure the Aquarium's bond debt by paying off \$13,000,000 of the series 1991, Series 1995, and Series 2004 bond debt and refinancing the remaining \$21,500,000 bond debt with bank-qualified tax-exempt bonds

On December 30, 2010, the Industrial Development Board of the County of Hamilton, Tennessee, issued \$21,500,000 of Revenue Refunding Bonds Series 2010 (the Series 2010 Bonds), in order to refinance the \$21,500,000 of the Series 1991, Series 1995, and Series 2004 bond debt. The Series 2010 Bonds mature on December 30, 2035.

The Series 2010 Bonds were purchased in their entirety by the Aquarium's lender and the proceeds were loaned to the Aquarium pursuant to a loan agreement dated December 30, 2010. The proceeds of the December 30, 2010, loan of \$21,500,000 plus \$13,220,907 of proceeds from the sale of Aquarium investments were deposited in an account with the Aquarium's lender to be used to pay off the Series 1991 Bonds, Series 1995 Bonds, and Series 2004 Bonds plus outstanding interest, letter of credit fees, and legal fees on January 3, 2011. The \$34,720,907, was classified as Cash restricted for debt payoff on the December 31, 2010 consolidated statement of financial position.

Under the terms of the December 30, 2010 loan agreement, the Aquarium is to make monthly principal and interest payments based on a 25-year amortization. Interest on \$11,500,000 of the Series 2010 Bonds is at a fixed rate of 4.12%. Interest on the balance of \$10,000,000 of the Series 2010 Bonds is at a variable rate determined weekly and payable monthly. During 2011, the variable interest rate ranged from 1.55% to 1.60%. The Series 2010 Bonds are secured by a springing lien on the Aquarium's property. The loan agreement matures on December 30, 2022.

The Aquarium is required to meet profitability, liquidity, and leverage financial covenants and is limited as to the amount of additional debt that can be incurred, the purchase and disposition of assets, and other business activities under the terms of the various financing documents. At December 31, 2011 and 2010, the Aquarium was in compliance with all of the financial covenants of the loan agreements.

In May of 2007, the Aquarium entered into a vessel building agreement to have a 70-passenger, high-speed catamaran constructed to take visitors on an ecotour into the Tennessee River Gorge. The vessel was put into operation in June 2008. The total purchase price of the vessel was \$2,885,600. In connection with the Company entering into the Vessel Building Agreement, the

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt (continued)

Aquarium also executed promissory notes to the Community Foundation of Greater Chattanooga to fund \$2,860,200 of the purchase price. The notes bear interest at 0% and are nonrecourse, such that repayment is required only to the extent the vessel's operations generate revenues in excess of the related expenses. The Aquarium repaid \$109,921 and \$0 of the loans in 2011 and 2010, respectively. The loans are secured by the value of the vessel and are subordinate to the Aquarium's other debt.

The combined aggregate amount of future principal payments for all long-term borrowings due is as follows:

2012	\$ 465,621
2013	452,036
2014	439,195
2015	425,807
Thereafter	<u>21,734,476</u>
	<u>\$ 23,517,135</u>

The fair value of the Aquarium's debt does not significantly differ from its carrying value.

On December 21, 2010, the Aquarium entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its long-term debt. At December 31, 2011, the swap agreement had a notional amount of \$10,000,000 and resulted in a fixed interest rate of 3.99%. The Aquarium makes payments at the stated fixed rate of interest and receives payment at tax-exempt variable rates, which reset on a weekly basis. The interest rate swap is recorded on the accompanying consolidated statements of financial position at fair value. The fair value of the interest rate swap is a liability of \$1,058,696 and \$43,865 at December 31, 2011 and 2010, respectively.

6. Benefit Plan

The Aquarium adopted a 403(b) defined-contribution retirement plan on January 1, 1996, covering substantially all full-service employees. Employer contributions under the new plan are based upon a defined percentage of eligible participant compensation plus a defined matching percentage of any voluntary employee contributions to the plan. Benefit plan expense for the year ended December 31, 2011 and 2010, was approximately \$368,908 and \$362,353, respectively.

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

7. Functional Expenses

Expenses incurred in 2011 were

	<u>Programming</u>	<u>Guest Services</u>	<u>Management and General</u>	<u>Marketing Costs</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 4,230,813	\$ 1,864,134	\$ 1,279,779	\$ 776,223	\$ 106,811	\$ 8,257,759
Printing, publications, and promotion	44,997	-	6,065	784,819	3,543	839,423
Supplies and marine life acquisition	927,186	57,239	103,797	74,024	6,803	1,169,050
Professional and other contract services	704,819	42,211	354,913	23,160	67,104	1,192,207
Film and projection costs	427,579	-	-	-	-	427,579
Utilities	1,530,403	-	-	-	-	1,530,403
Maintenance	396,175	843	98,784	-	-	495,801
Postage and shipping	6,969	42,897	36,001	25,531	172	111,571
Lease and rental	78,360	-	333,182	-	-	411,542
Travel and education	91,459	7,952	19,602	8,641	2,613	130,267
Telecommunications	140,886	-	-	-	-	140,886
Other	119,262	27,078	332,306	26,812	5,499	510,957
Total	<u>\$ 8,698,988</u>	<u>\$ 2,042,354</u>	<u>\$ 2,564,429</u>	<u>\$ 1,719,210</u>	<u>\$ 192,545</u>	<u>15,217,445</u>
Cost of ancillary sales						1,137,110
Financing costs						887,701
Depreciation and amortization						3,926,554
Total costs						<u>\$ 21,168,810</u>

Tennessee Aquarium

Notes to Consolidated Financial Statements (continued)

7. Functional Expenses (continued)

Expenses incurred in 2010 were

	<u>Programming</u>	<u>Guest Services</u>	<u>Management and General</u>	<u>Marketing Costs</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 4,151,942	\$ 1,925,548	\$ 1,253,883	\$ 747,740	\$ 128,843	\$ 8,207,956
Printing, publications, and promotion	70,471	-	2,248	1,140,790	2,640	1,216,149
Supplies and marine life acquisition	912,159	50,087	81,726	67,779	946	1,112,697
Professional and other contract services	702,499	39,215	363,352	60,751	21,308	1,187,125
Film and projection costs	486,993	-	-	-	-	486,993
Utilities	1,666,154	-	-	-	-	1,666,154
Maintenance	340,086	1,260	84,171	-	-	425,517
Postage and shipping	10,038	44,978	32,732	27,445	119	115,312
Lease and rental	(23,744)	-	294,720	-	-	270,976
Travel and education	84,352	6,784	29,124	15,320	2,014	137,594
Telecommunications	136,806	-	-	-	-	136,806
Other	136,514	24,609	385,066	51,852	4,119	602,160
Total	<u>\$ 8,674,270</u>	<u>\$ 2,092,481</u>	<u>\$ 2,527,022</u>	<u>\$ 2,111,677</u>	<u>\$ 159,989</u>	<u>15,565,439</u>
Cost of ancillary sales						1,102,141
Financing costs						1,006,001
Depreciation and amortization						3,619,887
Total costs						<u>\$ 21,293,468</u>

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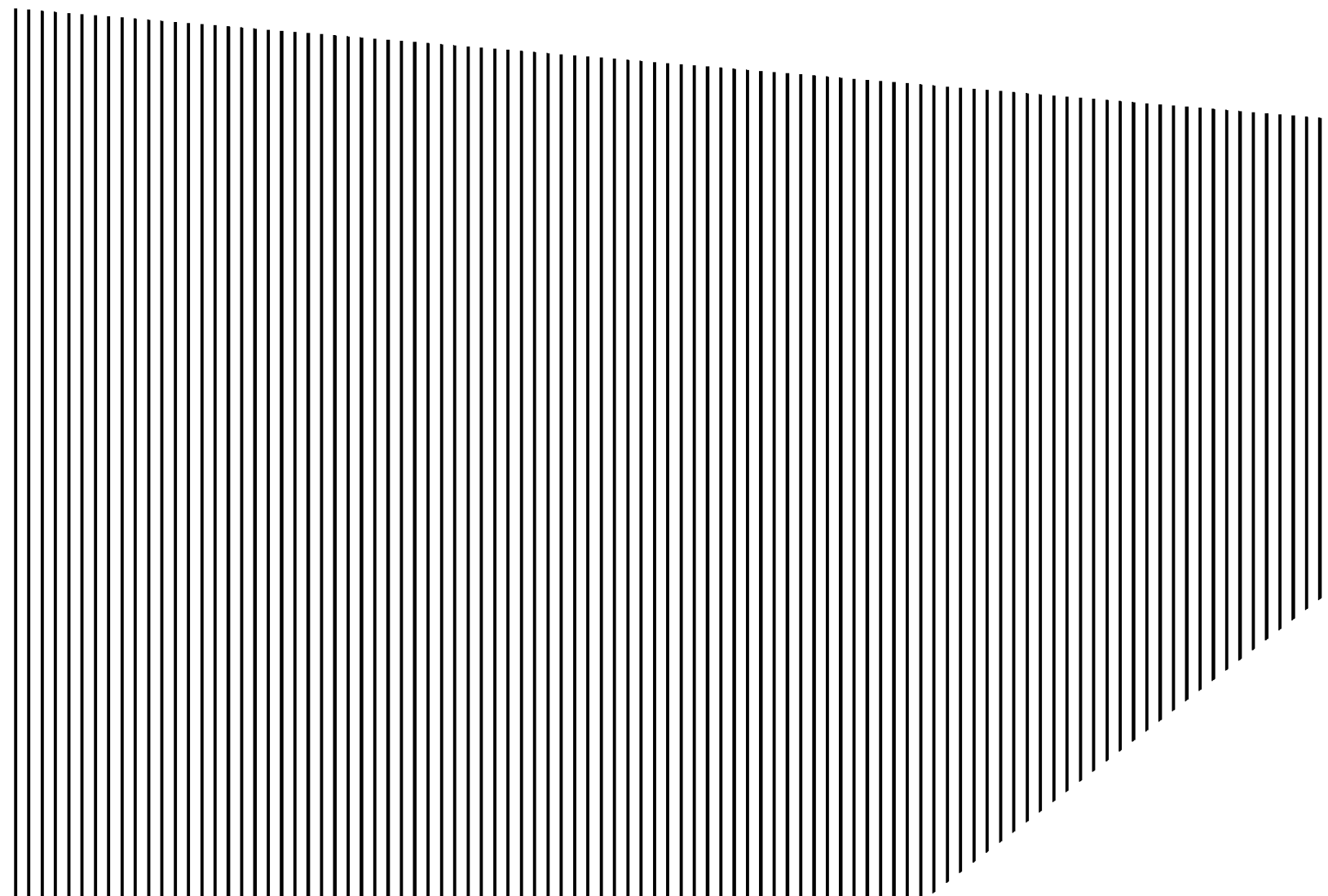
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Additional Data

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Name: Tennessee Aquarium

Form 990, Special Condition Description:

Special Condition Description