

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)

Department of the Treasury Internal Revenue Service

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

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

B Check if applicable: C Name of organization USA TAEKWONDO, INC. D Employer identification number 68-0587171 E Telephone number 719-866-4632 F Accounting method: Cash [X] Accrual [] Other (specify) []

G Website: WWW.USA-TAEKWONDO.US H(a) Is this a group return for affiliates? [] Yes [X] No H(b) If "Yes," enter number of affiliates N/A H(c) Are all affiliates included? N/A [] Yes [] No H(d) Is this a separate return filed by an organization covered by a group ruling? [] Yes [X] No

J Organization type (check only one) [X] 501(c) (3) (insert no.) [] 4947(a)(1) or [] 527 I Group Exemption Number N/A

K Check here [] if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return. M Check [] if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 2,752,193.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Dividends, Rents, Investment income, Sales of assets, Special events, and Total revenue/expenses. Values range from 68,655 to 2,752,193.

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule) STATEMENT 4	23	288,256.	288,256.		
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	143,153.	0.	143,153.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	389,345.	232,890.	156,455.	
27 Pension plan contributions not included on lines 25a, b, and c	27	16,733.	10,048.	6,685.	
28 Employee benefits not included on lines 25a - 27	28	62,215.	34,772.	27,443.	
29 Payroll taxes	29	57,303.	26,693.	30,610.	
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	48,500.	35,672.	12,828.	
34 Telephone	34	71,234.	53,980.	17,254.	
35 Postage and shipping	35				
36 Occupancy	36				
37 Equipment rental and maintenance	37	188,914.	172,431.	16,483.	
38 Printing and publications	38				
39 Travel	39	504,544.	481,678.	22,866.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	2,188.		2,188.	
42 Depreciation, depletion, etc. (attach schedule)	42	28,371.	11,562.	16,809.	
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 3	43g	1,311,412.	1,165,108.	146,304.	
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	3,112,168.	2,513,090.	599,078.	0.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

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

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

What is the organization's primary exempt purpose? ► SEE STATEMENT 5	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a COMPETITION AND EVENTS - APPROXIMATELY 8,000 ATHLETES PARTICIPATED IN SEVERAL DOMESTIC AND INTERNATIONAL EVENTS THROUGHOUT THE YEAR. (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,734,965.
b MEMBERSHIP - APPROXIMATELY 12,000 MEMBERS WERE PROVIDED INSURANCE COVERAGE AND THE NATIONAL PUBLICATION. (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c ATHLETES, COACHING, REFEREES - ATHLETES PARTICIPATED IN TRAINING AND DEVELOPMENT PROGRAMS WITH A VIEW TO A PLACE ON THE OLYMPIC TEAM. (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	261,063.
d DAN PROGRAMS - THE CORPORATION RAN THE CERTIFICATION PROGRAM FOR PARTICIPANTS IN THE SPORT OF TAEKWONDO IN THE U.S. APPROXIMATELY 4,600 ATHLETES RECEIVED THEIR CERTIFICATION THROUGH THIS PROGRAM. (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	2,513,090.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	25,893.	45	17,996.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	8,643.		
	b Less: allowance for doubtful accounts			
	48 a Pledges receivable			
	b Less: allowance for doubtful accounts			
	49 Grants receivable	18,035.	49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts			
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	109,147.	53	20,711.
	54 a Investments - publicly-traded securities		54a	
	<input type="checkbox"/> Cost <input type="checkbox"/> FMV			
54 b Investments - other securities		54b		
<input type="checkbox"/> Cost <input type="checkbox"/> FMV				
55 a Investments - land, buildings, and equipment: basis				
b Less: accumulated depreciation				
56 Investments - other	SEE STATEMENT 6	64,610.	56	32,250.
57 a Land, buildings, and equipment: basis	255,308.			
b Less: accumulated depreciation STMT 7	196,397.			
58 Other assets, including program-related investments (describe ► _____)			58	
59 Total assets (must equal line 74). Add lines 45 through 58	364,598.	59		138,511.
Liabilities	60 Accounts payable and accrued expenses	314,027.	60	407,691.
	61 Grants payable		61	
	62 Deferred revenue	63,447.	62	139,212.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	34,906.	64b	
	65 Other liabilities (describe ► _____)		65	0.
66 Total liabilities. Add lines 60 through 65	412,380.	66		546,903.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	<108,384.>	67	<468,994.>
	68 Temporarily restricted	60,602.	68	60,602.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	<47,782.>	73		<408,392.>
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	364,598.	74		138,511.

Part VI Other Information <i>(continued)</i>		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	<input checked="" type="checkbox"/>
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	<input checked="" type="checkbox"/>
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	<input checked="" type="checkbox"/>
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	<input checked="" type="checkbox"/>
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>0.</u> ; section 4912 ▶ <u>0.</u> ; section 4955 ▶ <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	<input checked="" type="checkbox"/>
90 a	List the states with which a copy of this return is filed ▶ NONE		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	13
91 a	The books are in care of ▶ THE CORPORATION Telephone no. ▶ 719-866-4632 Located at ▶ 1 OLYMPIC PLAZA, COLORADO SPRINGS, CO ZIP + 4 ▶ 80909		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	<input checked="" type="checkbox"/>
If "Yes," enter the name of the foreign country ▶ N/A			
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.			

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a DAN PROMOTIONS					246,737.
b SANCTIONS/OTHER PROGRAMS					75,908.
c EVENTS					1,350,130.
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					477,436.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	1,329.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			15	68,655.	
100 Gain or (loss) from sales of assets other than inventory			18	6,946.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a ADVERTISING	541800	1,650.			
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		1,650.		76,930.	2,150,211.
105 Total (add line 104, columns (B), (D), and (E))					2,228,791.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 9

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

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

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

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

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

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

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

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

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

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

Yes	No

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

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

Yes	No

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.

Please Sign Here	Signature of officer _____	Date _____	
	Type or print name and title _____		
Paid Preparer's Use Only	Preparer's signature _____	Date _____	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4 WAUGH & GOODWIN, LLP 1365 GARDEN OF THE GODS, SUITE 105 COLORADO SPRINGS, CO 80907		Preparer's SSN or PTIN (See Gen. Inst. X) _____ EIN _____ Phone no. (719) 590-9777

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2007

Name of the organization USA TAEKWONDO, INC.	Employer identification number 68 0587171
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
ROBERT T. PAULSEN 1 OLYMPIC PLAZA, COLORADO SPRINGS, CO	CFO 40.00	53,220.	12,591.	
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
PEAK PERFORMANCE 15759 SW 149TH TERRACE, MIAMI, FL 33196	COACHING SERVICES	80,500.
JEAN LOPEZ 8719 CHIPPING ROCK, SUGARLAND, TX 77479	COACHING SERVICES	80,500.
HANG A STAR 2300 BERKSHIRE LANE NORTH, MINNEAPOLIS, MN 55441	DATABASE MAINTENANCE	65,540.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SPORT GRAPHICS PRINTING 3423 PARK DAVID CIRCLE, INDIANAPOLIS, IN 46235	PRINTING & MAILING SERVICES	61,017.
Total number of other contractors receiving over \$50,000 for other services ▶	0	

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT 10	2d	X
e	Transfer of any part of its income or assets?	2e	X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a	X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b	Did the organization make any taxable distributions under section 4966?	4b	N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
d	Enter the total number of donor advised funds owned at the end of the tax year	0	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	0.	

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

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

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) **more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) **no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

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

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

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	441,057.	541,544.			982,601.
16 Membership fees received	507,851.	575,470.			1,083,321.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,873,799.	1,542,837.			3,416,636.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	120,968.	87,979.			208,947.
19 Net income from unrelated business activities not included in line 18	2,500.	175.			2,675.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,946,175.	2,748,005.	0.	0.	5,694,180.
24 Line 23 minus line 17	1,072,376.	1,205,168.			2,277,544.
25 Enter 1% of line 23	29,462.	27,480.			

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	26d	N/A
e Public support (line 26c minus line 26d total)	26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) 0. (2005) 0. (2004) 0. (2003) 0.		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) 0. (2005) 0. (2004) 0. (2003) 0.		
c Add: Amounts from column (e) for lines: 15 982,601. 16 1,083,321. 17 3,416,636. 20 _____ 21 _____	27c	5,482,558.
d Add: Line 27a total 0. and line 27b total 0.	27d	0.
e Public support (line 27c total minus line 27d total)	27e	5,482,558.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f 5,694,180.	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	96.2835%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	3.6695%

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

NONE

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

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) _____ _____ _____		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) _____ _____		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended?	34b	
	If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

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

N/A

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

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

4-Year Averaging Period Under Section 501(h)

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

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h .)			0.

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

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES	STATEMENT	1
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DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
REALIZED GAINS ON INVESTMENTS	6,946.	0.	0.	6,946.
TO FORM 990, PART I, LINE 8	6,946.	0.	0.	6,946.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	2
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DESCRIPTION	AMOUNT
UNREALIZED GAINS ON INVESTMENTS	<635.>
TOTAL TO FORM 990, PART I, LINE 20	<635.>

FORM 990	OTHER EXPENSES	STATEMENT	3
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
DUES, FEES & SUBSCRIPTIONS	122,095.	120,750.	1,345.	
GIFTS, MEDALS & AWARDS	26,099.	23,718.	2,381.	
PHOTO, VIDEO & ARTWORK	5,627.	5,627.		
INSURANCE	129,473.	112,484.	16,989.	
ADVERTISING	2,484.	2,234.	250.	
OTHER EXPENSES	6,969.	6,038.	931.	
STAFF DEVELOPMENT	0.			
BANK CHARGES & CREDIT CARD FEES	69,084.	64,612.	4,472.	
REFUNDS	0.			
MEALS & ENTERTAINMENT	51,291.	44,765.	6,526.	
CONTRACT SERVICES	242,952.	222,529.	20,423.	
CATERING & DECORATING	218,788.	218,788.		
COACHING SUPPORT	1,000.	1,000.		
PROFESSIONAL FEES	52,306.		52,306.	
SECURITY	28,449.	28,449.		

GEAR & EQUIPMENT	54,887.	54,887.	
ONLINE REGISTRATION FEES	143,124.	143,124.	
PRINTING, DUPLICATION & POSTAGE	149,876.	116,103.	33,773.
BAD DEBT EXPENSE	6,908.		6,908.
TOTAL TO FM 990, LN 43	<u>1,311,412.</u>	<u>1,165,108.</u>	<u>146,304.</u>

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	4
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DESCRIPTION	AMOUNT
ATHLETE STIPENDS AND TRAINING GRANTS PAID TO 21 ATHLETES	176,000.
MEDICAL, DENTAL AND HOSPITAL EXPENSES PROVIDED	112,256.
TOTAL TO FORM 990, PART II, LINE 23	<u>288,256.</u>

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	5
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EXPLANATION

USA TAEKWONDO IS THE NATIONAL GOVERNING BODY, DESIGNATED BY THE UNITED STATES OLYMPIC COMMITTEE, FOR THE DEVELOPMENT AND TRAINING OF ATHLETES IN THE SPORT OF TAEKWONDO FOR COMPETITION IN EVENTS THROUGHOUT THE WORLD REPRESENTING THE UNITED STATES.

FORM 990	OTHER INVESTMENTS	STATEMENT	6
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DESCRIPTION	VALUATION METHOD	AMOUNT
UNITED STATES OLYMPIC FOUNDATION	MARKET VALUE	32,250.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		<u>32,250.</u>

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
ATHLETIC EQUIPMENT	136,657.	99,202.	37,455.
OFFICE FURNITURE AND EQUIPMENT	111,866.	95,160.	16,706.
TRANSPORTATION EQUIPMENT	6,785.	2,035.	4,750.
TOTAL TO FORM 990, PART IV, LN 57	255,308.	196,397.	58,911.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARTY MANKAMYER 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
BRAD LUNN 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
REX HATFIELD 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
MARK WILLIAMS 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
RONDA SWEET 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
MARK BIVIANO 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
MARK LOPEZ 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.

DAVID ASKINAS 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	CEO 40.00	122,500.	20,653.	0.
KEVIN PADILLA 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
PAUL SCOTT 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
LINDA BUELL 1 OLYMPIC PLAZA COLORADO SPRINGS CO 80909	DIRECTOR 4.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		122,500.	20,653.	0.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 9
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93 A	DAN PROMOTION REVENUE ENABLES ATHLETES TO RECEIVE CERTIFICATION.
93 B	SANCTIONS AND OTHER PROGRAM REVENUE PROVIDE FOR TAEKWONDO COMPETITIONS WHICH SUPPORT THE CORPORATION'S EXEMPT PURPOSE.
93 C	EVENT REVENUE RELATES TO VARIOUS TAEKWONDO TOURNAMENTS HELD TO ENCOURAGE COMPETITION & DEMONSTRATE THE SPORT OF TAEKWONDO.
94	MEMBERSHIP DUES ARE USED TO PROVIDE INSURANCE, A QUARTERLY MAGAZINE, TOURNAMENT AND OTHER INFORMATION ABOUT THE ORGANIZATION.

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2D	STATEMENT 10
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THE CORPORATION PAYS SOME BOARD MEMBERS FOR EVENT SERVICES IN ACCORDANCE WITH STANDARD COMPENSATION POLICIES.

IN ADDITION, THE CEO RECEIVED COMPENSATION FOR HIS SERVICES PURSUANT TO THE CORPORATION'S NORMAL COMPENSATION PRACTICES.

THE CORPORATION PAYS FOR OR REIMBURSES BOARD MEMBERS FOR EXPENSES RELATED TO OFFICIAL BOARD MEETINGS, AND THESE EXPENSES MAY EXCEED \$1,000. SUPPORTING DOCUMENTATION IS AVAILABLE FOR ALL SUCH EXPENSES.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2007

Department of the Treasury Internal Revenue Service (77)

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

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)

B Exempt under section 501(c)(3) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

USA TAEKWONDO, INC.

68-0587171

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.

1 OLYMPIC PLAZA

E Unrelated business activity codes (See instructions for Block E on page 9.)

City or town, state, and ZIP code

COLORADO SPRINGS, CO 80909

541800

C Book value of all assets at end of year 138,511.

F Group exemption number (see instructions for Block F.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. MAGAZINE ADVERTISING

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of THE CORPORATION Telephone number 719-866-4632

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows 1a-13 showing advertising income of 1,650 and total net of <1,604.>

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

Table with 4 columns: Line number, Description, Sub-column, Total. Rows 14-34 showing various deductions and final unrelated business taxable income of <1,604.>

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.
Controlled group members (sections 1561 and 1563) check here
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750)
c Income tax on the amount on line 34
36 Trusts Taxable at Trust Rates. See instructions for tax computation.
37 Proxy tax. See instructions
38 Alternative minimum tax
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)
b Other credits (see instructions)
c General business credit. Check here and indicate which forms are attached:
d Credit for prior year minimum tax (attach Form 8801 or 8827)
e Total credits. Add lines 40a through 40d
41 Subtract line 40e from line 39
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule)
43 Total tax. Add lines 41 and 42
44a Payments: A 2006 overpayment credited to 2007
b 2007 estimated tax payments
c Tax deposited with Form 8868
d Foreign organizations: Tax paid or withheld at source (see instructions)
e Backup withholding (see instructions)
f Other credits and payments: Form 2439 Other
45 Total payments. Add lines 44a through 44f
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax Refunded

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country?
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?
3 Enter the amount of tax-exempt interest received or accrued during the tax year

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year
2 Purchases
3 Cost of labor
4a Additional section 263A costs
b Other costs (attach schedule)
5 Total. Add lines 1 through 4b
6 Inventory at end of year
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.
Signature of officer Date Title
Preparer's signature Date Check if self-employed Preparer's SSN or PTIN P00450838
Firm's name (or yours if self-employed), address, and ZIP code WAUGH & GOODWIN, LLP 1365 GARDEN OF THE GODS, SUITE 105 COLORADO SPRINGS, CO 80907
EIN 20-1766527 Phone no. (719) 590-9777