

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)

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service(77)

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 9/01, 2007, and ending 8/31, 2008

B Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instruc-
tions.EASTER SEALS TENNESSEE, INC.
2001 WOODMONT BOULEVARD
NASHVILLE, TN 37215

D Employer Identification Number

62-0504893

E Telephone number

(615) 292-6640

F Accounting method:

☐ Cash ☒ Accrual☐ Other (specify) _____Section 501(c)(3) organizations and 4947(a)(1) nonexempt
charitable trusts must attach a completed Schedule A
(Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates _____

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an
organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number _____

M Check ☒ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: WWW.EASTERSEALSTN.COM

J Organization type

(check only one) ☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization is not a 509(a)(3) supporting organization and its
gross receipts are normally not more than \$25,000. A return is not required, but if the
organization chooses to file a return, be sure to file a complete return

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12. 6,930,847.

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

1 Contributions, gifts, grants, and similar amounts received.

a Contributions to donor advised funds

1a

b Direct public support (not included on line 1a)

1b

554,025.

c Indirect public support (not included on line 1a)

1c

22,090.

d Government contributions (grants) (not included on line 1a)

1d

5,662,350.

e Total (add lines 1a through 1d) (cash \$ 6,238,465. noncash \$ _____)

1e

6,238,465.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2

147,067.

3 Membership dues and assessments

3

93,296.

4 Interest on savings and temporary cash investments

4

5 Dividends and interest from securities

5

1,171.

6a Gross rents

6a

81,687.

b Less: rental expenses

6b

105,862.

c Net rental income or (loss). Subtract line 6b from line 6a

6c

-24,175.

7 Other investment income (describe _____)

7

8a Gross amount from sales of assets other
than inventory

(A) Securities

8a

(B) Other

236,781.

b Less: cost or other basis and sales expenses

8b

330,000.

c Gain or (loss) (attach schedule)

STATEMENT 1

8c

-93,219.

d Net gain or (loss). Combine line 8c, columns (A) and (B)

8d

-93,219.

9 Special events and activities (attach schedule). If any amount is from gaming, check here ☐a Gross revenue (not including \$ 219,950. of contributions
reported on line 1b)

9a

118,529.

b Less: direct expenses other than fundraising expenses

9b

79,642.

c Net income or (loss) from special events Subtract line 9b from line 9a

STATEMENT 2

9c

38,887.

10a Gross sales of inventory, less returns and allowances

10a

b Less: cost of goods sold

10b

c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a

10c

11 Other revenue (from Part VII, line 103)

11

13,851.

12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11

12

6,415,343.

13 Program services (from line 4a, column (B))

13

7,548,117.

14 Management and general (from line 4a, column (C))

14

1,094,922.

15 Fundraising (from line 4a, column (D))

15

299,114.

16 Payments to affiliates (attach schedule)

16

170,731.

17 Total expenses. Add lines 13, 14, 15, and 16

17

9,112,884.

18 Excess or (deficit) for the year Subtract line 17 from line 12

18

-2,697,541.

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19

-6,327,184.

20 Other changes in net assets or fund balances (attach explanation)

20

21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20

21

-9,024,725.

SCANNED FEB 18 2009
POSTMARK DATE
JAN 30 2009

RECEIVED

EXPENSES

ASSETS

RECEIVED
FEB 04 2009
ODEN, UT

SEE STATEMENT 3

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule) ST 4	23 25,067.	25,067.		
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 237,900.	137,900.	100,000.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 8,800.	8,800.	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 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26 5,099,459.	4,816,031.	81,863.	201,565.
27 Pension plan contributions not included on lines 25a, b, and c	27 80,119.	69,303.	8,163.	2,653.
28 Employee benefits not included on lines 25a - 27	28 516,813.	440,404.	36,417.	39,992.
29 Payroll taxes	29 428,051.	399,413.	12,927.	15,711.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 96,104.	88,617.	5,924.	1,563.
34 Telephone	34 105,890.	93,956.	10,157.	1,777.
35 Postage and shipping	35 10,539.	882.	7,870.	1,787.
36 Occupancy	36 104,142.	104,142.		
37 Equipment rental and maintenance	37 116,539.	94,976.	19,150.	2,413.
38 Printing and publications	38 4,560.	1,339.		3,221.
39 Travel	39 255,815.	247,143.	7,223.	1,449.
40 Conferences, conventions, and meetings	40 17,312.	8,300.	8,351.	661.
41 Interest	41 744,581.	132,151.	612,430.	
42 Depreciation, depletion, etc (attach schedule)	42 484,948.	442,384.	32,966.	9,598.
43 Other expenses not covered above (itemize): a SEE STATEMENT 5	43a 605,514.	437,309.	151,481.	16,724.
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 8,942,153.	7,548,117.	1,094,922.	299,114.

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

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

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

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? ▶ PROVIDE SERVICE TO THE DISABLED	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
a <u>SEE ATTACHED STATEMENT</u> ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here . ▶ <input type="checkbox"/>	7,548,117.
b ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here . ▶ <input type="checkbox"/>	
c ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here . ▶ <input type="checkbox"/>	
d ----- ----- ----- ----- (Grants and allocations \$) If this amount includes foreign grants, check here . ▶ <input type="checkbox"/>	
e Other program services . . . (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) ▶	7,548,117.

BAA

Form 990 (2007)

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	32,624.	45	229,106.
	46 Savings and temporary cash investments	244,557.	46	1,903.
	47a Accounts receivable	142,754.		
	b Less: allowance for doubtful accounts		47c	142,754.
	48a Pledges receivable		48c	
	b Less: allowance for doubtful accounts			
	49 Grants receivable	862,112.	49	316,578.
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)		51c	
	b Less: allowance for doubtful accounts			
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	39,698.	53	18,397.
	54a Investments — publicly-traded securities	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54a	
	b Investments — other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
55a Investments — land, buildings, & equipment: basis	8,282,644.			
b Less: accumulated depreciation (attach schedule)	2,583,135.	55c	5,699,509.	
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment: basis	1,963,060.			
b Less: accumulated depreciation (attach schedule)	1,668,262.	57c	294,798.	
58 Other assets, including program-related investments (describe ► <u>SEE STATEMENT 8</u>)	146,869.	58	135,894.	
59 Total assets (must equal line 74). Add lines 45 through 58	8,092,612.	59	6,838,939.	
LIABILITIES	60 Accounts payable and accrued expenses	2,089,119.	60	2,681,780.
	61 Grants payable		61	
	62 Deferred revenue	1,314,963.	62	2,229,165.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	10,072,336.	64b	10,234,128.
	65 Other liabilities (describe ► <u>SEE STATEMENT 10</u>)	943,378.	65	718,591.
	66 Total liabilities. Add lines 60 through 65	14,419,796.	66	15,863,664.
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	-6,327,184.	67	-9,024,725.
	68 Temporarily restricted		68	
	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)	-6,327,184.	73	-9,024,725.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	8,092,612.	74	6,838,939.	

BAA

Form 990 (2007)

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

a	Total revenue, gains, and other support per audited financial statements	a	6,614,424.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify): SEE STM 11	b4	199,081.
	Add lines b1 through b4	b	199,081.
c	Subtract line b from line a	c	6,415,343.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	e	6,415,343.

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

a	Total expenses and losses per audited financial statements	a	9,311,965.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): SEE STMT 12	b4	199,081.
	Add lines b1 through b4	b	199,081.
c	Subtract line b from line a	c	9,112,884.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	9,112,884.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
SUSAN ARMINGER NASHVILLE, TN	CEO 40.00	140,000.	9,800.	0.
MIKE CAMPBELL NASHVILLE, TN	TREASURER 1.00	0.	0.	0.
FREDERICK DOWLING NASHVILLE, TN	CFO 40.00	97,900.	6,853.	0.
WILLIAM ANDREWS FRANKLIN, TN	CHAIRMAN 1.00	0.	0.	0.
SAMUEL HOWARD NASHVILLE, TN	SECRETARY 1.00	0.	0.	0.
LARRY KING NASHVILLE, TN	BOARD MEMBER 1.00	0.	0.	0.

Other Information (continued)

	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?...		X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b N/A		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? .	X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? .	X	
83 b		
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 a		
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
84 b		
85 a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	N/A	
85 a		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
85 b		
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	N/A	
85 c		
d Section 162(e) lobbying and political expenditures	N/A	
85 d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 g		
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
85 h		
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	N/A	
86 a		
b Gross receipts, included on line 12, for public use of club facilities	N/A	
86 b		
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	N/A	
87 a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
87 b		
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		X
88 a		
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.		X
88 b		
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0 .		
b 501(c)(3) and 501(c)(4) 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.		X
89 b		
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0 .		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0 .		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 e		
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 f		
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?		X
89 g		
90 a List the states with which a copy of this return is filed ▶ TN		
b Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	361	
90 b		
91 a The books are in care of ▶ FREDERICK DOWLING Telephone number ▶ (615) 292-6640 Located at ▶ 2001 WOODMONT BOULEVARD NASHVILLE TN ZIP + 4 ▶ 37215		
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)?		X
91 b		
If 'Yes,' enter the name of the foreign country ▶		
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VII 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: _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here **N/A** ☐and enter the amount of tax-exempt interest received or accrued during the tax year: **92** N/A**Part VIII Analysis of Income-Producing Activities (See the instructions.)**

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a CAMP FEES					50,451.
b PROGRAM SERVICE FEES					52,956.
c WORKSHOP REVENUE					43,660.
d _____					
e _____					
f Medicare/Medicaid payments.....					
g Fees & contracts from government agencies.					
94 Membership dues and assessments.					93,296.
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities.			14	1,171.	
97 Net rental income or (loss) from real estate:					
a debt-financed property..					
b not debt-financed property.....	531190	-24,175.			
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory.			18	-93,219.	
101 Net income or (loss) from special events			1	38,887.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b MISCELLANEOUS			1	13,851.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		-24,175.		-39,310.	240,363.
105 Total (add line 104, columns (B), (D), and (E))					176,878.

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

Part VII 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).
93-103	THE INCOME OF THE SOCIETY IS USED TO ASSIST AND DEVELOP SERVICES FOR PERSONS WITH DISABILITIES TO FIND AND MAKE EFFECTIVE USE OF RESOURCES WHICH WILL BE HELPFUL TO THEM IN DEVELOPING THEIR ABILITIES AND LIVING PURPOSEFUL LIVES.

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 ☒ Nob 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).

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

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

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

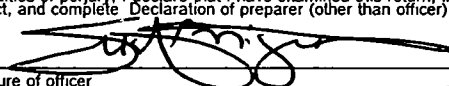
				Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity					X

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

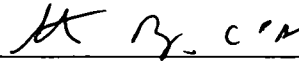
				Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?					X

Please Sign Here

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

Signature of officer:  Date: 1/30/09

Type or print name and title: SUSAN ARMIGER, PRESIDENT & CEO

Paid Preparer's Use Only	Preparer's signature: 	Date: 1-29-09	Check if self-employed: <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See General Instruction X): N/A
	Firm's name (or yours if self-employed), address, and ZIP + 4: FRASIER, DEAN & HOWARD, PLLC 3310 WEST END AVENUE, STE. 550 NASHVILLE, TN 37203		EIN: N/A	Phone no.: (615) 383-6592

BAA

Form 990 (2007)

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

EASTER SEALS TENNESSEE, INC.

Employer identification number

62-0504893**Part I — Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See 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 and deferred compensation	(e) Expense account and other allowances
<u>PAULA JENNINGS</u> <u>NASHVILLE, TN</u>	SR DIR OPER 40	66,000.	4,620.	0.
<u>MICHELLE MORSE</u> <u>NASHVILLE, TN</u>	DIR DONOR RELA 40	74,664.	5,226.	0.
<u>MARY GARDNER</u> <u>NASHVILLE, TN</u>	SR DIR PROG OP 40	76,440.	5,351.	0.
<u>RITA BAUMGARTNER</u> <u>BRENTWOOD, TN</u>	VP DEVELOPMENT 40	88,560.	6,199.	0.
<u>LAURIE MIER</u> <u>SMYRNA, TN</u>	DIR DONOR REL 40	61,200.	4,284.	0.
Total number of other employees paid over \$50,000 ▶	3			

Part II — A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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
<u>NONE</u>		
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 instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>NONE</u>		
Total number of other contractors receiving over \$50,000 for other services. ▶	0	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.**Schedule A (Form 990 or 990-EZ) 2007**

Part I Statements About Activities (See 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... ▶ \$ N/A
- (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

SEE FORM 990, PART V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

- 3a** Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

- 4a** Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.

4a X

b Did the organization make any taxable distributions under section 4966?

4b 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. ▶ N/A

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 tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts. ▶ 0

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

Part IV Reason for Non-Private Foundation Status (See 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.)
- 11 a ☒ 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.)
- 11 b ☐ 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 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 ... ▶					0.

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

BAA

Schedule A (Form 990 or 990-EZ) 2007

Part III 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.)	6,933,818.	9,114,691.	8,103,809.	6,617,803.	30,770,121.
16 Membership fees received	133,704.	135,965.	164,311.	141,352.	575,332.
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	1,008,614.	2,091,340.	2,293,566.	2,140,729.	7,534,249.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975.	82,301.	163,458.	146,230.	215,729.	607,718.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE STMT 13	-644.	-1,519.	-9.	12,712.	10,540.
23 Total of lines 15 through 22	8,157,793.	11,503,935.	10,707,907.	9,128,325.	39,497,960.
24 Line 23 minus line 17	7,149,179.	9,412,595.	8,414,341.	6,987,596.	31,963,711.
25 Enter 1% of line 23	81,578.	115,039.	107,079.	91,283.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 639,274.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 31,963,711.
d Add: Amounts from column (e) for lines: 18 607,718. 19					26d 618,258.
22 10,540. 26b					26e 31,345,453.
e Public support (line 26c minus line 26d total)					26f 98.07 %
27 Organizations described on line 12: N/A					
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)	(2005)	(2004)	(2003)	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2006)	(2005)	(2004)	(2003)	
c Add: Amounts from column (e) for lines 15 16					27c
17 20 21					27d
d Add: Line 27a total and line 27b total					27e
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

Private School Questionnaire (See instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
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.)		

34a 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 instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations												
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36													
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38													
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40													
41	Lobbying nontaxable amount. Enter the amount from the following table — <table><tr><td>If the amount on line 40 is —</td><td>The lobbying nontaxable amount is —</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 40</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>	If the amount on line 40 is —	The lobbying nontaxable amount is —	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	
If the amount on line 40 is —	The lobbying nontaxable amount is —														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
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.)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means.			
i Total lobbying expenditures (add lines c through h.)			

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

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

OTHER ASSETS

DESCRIPTION:	LAND		
DATE ACQUIRED:	12/27/2005		
HOW ACQUIRED:	DONATED		
DATE SOLD:	8/31/2008		
TO WHOM SOLD:	FIRST BANK		
GROSS SALES PRICE:	236,781.		
COST OR OTHER BASIS:	330,000.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-93,219.

TOTAL GAIN (LOSS) OTHER ASSETS \$ -93,219.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ -93,219.

STATEMENT 2
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

SPECIAL EVENTS	GROSS RECEIPTS	LESS CONTRI-BUTIONS	GROSS REVENUE	LESS DIRECT EXPENSES	NET INCOME (LOSS)
NASHVILLIAN	246,675.	197,950.	48,725.	45,928.	2,797.
CARS FOR KIDS	39,456.	0.	39,456.	29,256.	10,200.
FISHING TOURNAMENT	32,935.	20,000.	12,935.	1,472.	11,463.
OTHER	19,413.	2,000.	17,413.	2,986.	14,427.
TOTAL	<u>\$ 338,479.</u>	<u>\$ 219,950.</u>	<u>\$ 118,529.</u>	<u>\$ 79,642.</u>	<u>\$ 38,887.</u>

STATEMENT 3
FORM 990, PART I, LINE 16
PAYMENTS TO AFFILIATES

NAME AND ADDRESS	PURPOSE OF PAYMENT	AMOUNT
NATIONAL EASTER SEAL SOCIETY CHICAGO, IL	NATIONAL PROGRAM FEE	\$ 170,731.
	TOTAL	<u>\$ 170,731.</u>

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 4
FORM 990, PART II, LINE 23
SPECIFIC ASSISTANCE TO INDIVIDUALS

RESIDENTIAL GUARDIANSHIP	\$	25,067.
	TOTAL	\$	<u>25,067.</u>

STATEMENT 5
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	6,678.	6,306.	372.	
AWARDS & RECOGNITION	990.	724.	205.	61.
BANK CHARGES	6,021.	4,155.	1,437.	429.
BUILDING & GROUNDS MAINTENANCE	64,633.	59,808.	2,964.	1,861.
CONTRACTED SERVICES	91,253.	47,321.	42,804.	1,128.
DHS/DMR REPAYMENT	26,150.	19,114.	5,420.	1,616.
INSURANCE	153,329.	135,035.	13,022.	5,272.
LATE FEES & FINANCE CHARGES	1,083.	790.	226.	67.
LETTER OF CREDIT FEES	38,880.		38,880.	
MEMBERSHIP AND SUPPORT PAYMENTS	7,036.	4,673.	1,908.	455.
MISCELLANEOUS	4,808.	3,124.	1,297.	387.
PROFESSIONAL FEES	86,389.	44,606.	40,710.	1,073.
UTILITIES	118,264.	111,653.	2,236.	4,375.
TOTAL	<u>\$ 605,514.</u>	<u>\$ 437,309.</u>	<u>\$ 151,481.</u>	<u>\$ 16,724.</u>

STATEMENT 6
FORM 990, PART IV, LINE 55B
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 42,278.	\$ 42,278.	\$ 0.
MACHINERY AND EQUIPMENT	241,075.	230,105.	10,970.
BUILDINGS	6,421,979.	2,265,997.	4,155,982.
IMPROVEMENTS	44,755.	44,755.	0.
LAND	1,532,557.		1,532,557.
TOTAL	<u>\$ 8,282,644.</u>	<u>\$ 2,583,135.</u>	<u>\$ 5,699,509.</u>

STATEMENT 7
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 776,393.	\$ 760,738.	\$ 15,655.
MACHINERY AND EQUIPMENT	1,186,667.	907,524.	279,143.
TOTAL	<u>\$ 1,963,060.</u>	<u>\$ 1,668,262.</u>	<u>\$ 294,798.</u>

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 8
FORM 990, PART IV, LINE 58
OTHER ASSETS

LOAN COSTS, NET...		\$	135,894.
	TOTAL	\$	<u>135,894.</u>

STATEMENT 9
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

<u>MORTGAGES PAYABLE</u>	<u>BALANCE DUE</u>
FIFTH THIRD BANK	\$ 2,750,000.
SERTOMA	1,043,335.
TOTAL MORTGAGES	\$ <u>3,793,335.</u>

OTHER NOTES PAYABLE

LENDER'S NAME:	FIFTH THIRD BANK	
DATE OF NOTE:	6/01/2001	
MATURITY DATE:	1/03/2005	
REPAYMENT TERMS:	INTEREST ONLY	
INTEREST RATE:	5.50%	
SECURITY PROVIDED:	FIXED ASSETS	
PURPOSE OF LOAN:	LINE OF CREDIT	
BALANCE DUE:		\$ 247,000.

LENDER'S NAME:	FIFTH THIRD BANK	
DATE OF NOTE:	7/13/2001	
MATURITY DATE:	1/03/2006	
REPAYMENT TERMS:	MONTHLY PAYMENTS OF \$13,712	
INTEREST RATE:	6.00%	
SECURITY PROVIDED:	EASTER SEALS ACCOUNTS	
ORIGINAL AMOUNT:	1,500,000.	
BALANCE DUE:		\$ 1,967,261.

LENDER'S NAME:	WACHOVIA BANK	
DATE OF NOTE:	8/05/1999	
MATURITY DATE:	8/01/2019	
REPAYMENT TERMS:	INT MONTHLY; PRIN VARIOUS	
INTEREST RATE:	12.00%	
SECURITY PROVIDED:	PROP & EQUIP, PLEDGES, LOC	
PURPOSE OF LOAN:	VARIABLE RATE REVENUE BONDS	
DESC. OF CONSIDERATION:	CASH	
ORIGINAL AMOUNT:	2,500,000.	
BALANCE DUE:		\$ 2,425,000.

LENDER'S NAME:	FIRST BANK	
MATURITY DATE:	9/28/2007	
REPAYMENT TERMS:	INTEREST ONLY	
INTEREST RATE:	8.75%	
SECURITY PROVIDED:	ALL ASSETS	
BALANCE DUE:		\$ 1,175,606.

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 9 (CONTINUED)
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE**OTHER NOTES PAYABLE**

LENDER'S NAME:	EASTER SEALS, INC.	
DATE OF NOTE:	3/13/2004	
MATURITY DATE:	9/15/2005	
INTEREST RATE:	8.00%	
SECURITY PROVIDED:	LIEN, SEC INT, MORTG ON CAMP	
BALANCE DUE:		\$ 278,239.

LENDER'S NAME:	FORD CREDIT	
DATE OF NOTE:	1/10/2007	
MATURITY DATE:	12/10/2011	
REPAYMENT TERMS:	MONTHLY PMTS OF \$418	
INTEREST RATE:	8.99%	
SECURITY PROVIDED:	2007 FORD FREESTAR	
ORIGINAL AMOUNT:	20,148.	
BALANCE DUE:		\$ 15,636.

LENDER'S NAME:	FORD CREDIT	
DATE OF NOTE:	1/10/2007	
MATURITY DATE:	12/10/2011	
REPAYMENT TERMS:	MONTHLY PMTS OF \$9,835	
INTEREST RATE:	7.99%	
SECURITY PROVIDED:	33 2007 FORD TAURUSES	
ORIGINAL AMOUNT:	500,330.	
BALANCE DUE:		\$ 332,051.

TOTAL OTHER NOTES PAYABLE \$ 6,440,793.

TOTAL \$ 10,234,128.**STATEMENT 10**
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

ACCRUED PENSION LIABILITY		\$ 718,591.
TOTAL		\$ <u>718,591.</u>

STATEMENT 11
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS

LOSS ON SALE OF LAND		\$ 93,219.
RENTAL EXPENSES NETTED AGAINST INCOME		105,862.
TOTAL		\$ <u>199,081.</u>

2007

FEDERAL STATEMENTS

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EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 12
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS

LOSS ON SALE OF LAND.....	\$	93,219.
RENTAL EXPENSES NETTED AGAINST INCOME....		105,862.
TOTAL	\$	<u>199,081.</u>

STATEMENT 13
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2006	(B) 2005	(C) 2004	(D) 2003	(E) TOTAL
MISCELLANEOUS	\$ -644.	\$ -1,519.	\$ -9.	\$ 12,712.	\$ 10,540.
TOTAL	<u>\$ -644.</u>	<u>\$ -1,519.</u>	<u>\$ -9.</u>	<u>\$ 12,712.</u>	<u>\$ 10,540.</u>

EASTER SEALS TENNESSEE, INC.

62-0504893

DEPRECIATION EXPENSE
990, PART II, LINE 42

DEPRECIATION IS CALCULATED USING THE STRAIGHT-LINE METHOD OVER THE ESTIMATED USEFUL LIVES OF THE ASSETS.

AUTOMOBILES & EQUIPMENT	\$ 473,973
AMORTIZATION	10,975

TOTAL	\$ 484,948

Easter Seals Tennessee, Inc.
2007 Form 990, Part III, Statement of Program Service Accomplishments
FEIN 62-0504893

Program list

Since 1959, Easter Seals Tennessee has enjoyed great success in attracting children and adults with virtually any type of disability to enjoy the great outdoors at our Easter Seals Camp. With multiple locations in Lebanon, Antioch, Crossville and Columbia, TN, Easter Seals partners with other service organizations to utilize their facilities.

Easter Seals Turner Family Center is a 19,000-square-foot facility equipped with state-of-the-art exercise equipment and staffed with fitness experts and rehabilitation therapists to help individuals address a wide range of needs from the maintenance of good health to temporary physical difficulties or more debilitating conditions, including arthritis, trauma, stroke, or spinal cord related disabilities. (Nashville)

Information and Referral assists individuals in locating appropriate services throughout the state of Tennessee. (statewide)

Polio Heroes of Tennessee provides support services to individuals living with post-polio syndrome, the latent neuro-muscular effects of having had polio as a child or young adult. (statewide)

The Tennessee AgrAbility Project provides technical consultation and coordinates resources for farmers and agricultural workers with disabilities to return to a productive livelihood. (statewide)

West Tennessee Adult Services provides a wide range of programs that help adults with disabilities living in rural counties in west Tennessee live with greater independence. Based in Lexington, services include the following:

- Developmental Services teaches daily living and prevocational skills to adults with mental and physical disabilities. (Lexington)
- Skills Program provides personal and daily living skills to adults with developmental disabilities. (Lexington)
- Residential Services provides independent and semi-independent residential living opportunities for adults with cognitive and physical disabilities. (Lexington)
- State Rest Area facility off I-40 in Benton County is maintained by Easter Seals' staff. (Camden)
- Supported Employment provides job coaches and job training for adults with disabilities seeking employment in the community. (Lexington)
- Transportation Services provides transportation for clients to and from Easter Seals' program sites in Chester, Decatur, and Henderson Counties. (Lexington)
- Vocational Placement Services helps individuals with disabilities identify job opportunities and secure employment. (Lexington)

- Work Services is a training program that acquires contract from local manufacturers to teach clients assembly job skills. (Decaturville, Lexington)

01/23/2009

2007 Activity Report

Page 1

02:00 PM

Client 11060 - EASTER SEALS TENNESSEE, INC. EIN: 62-0504893
Return ID (Ext.): 625371-2008014-0800042
Federal (Ext.): Even Return.....\$0

Activity

Extension 62-0504893

US - ACCEPTED 01/14 (Current Status)

Previous Activity

- 01/14 Sent to the IRS
- 01/14 Received at Lacerte
- 01/14 Sent to Lacerte
- 01/14 Ready To Send
- 01/14 Passed Validation