

# 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)

2004

Open to Public Inspection

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 2004 calendar year, or tax year beginning , and ending

B Check if applicable:

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

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

C Name of organization

ALIVE HOSPICE, INC.

Number and street (or P.O. box if mail is not delivered to street address)

1718 PATTERSON STREET

Room/suite

City or town, state or country, and ZIP + 4

NASHVILLE

TN 37203

D Employer identification no.

62-0983550

E Telephone number

615-327-1085

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 ☒ NoH(b) If "Yes," enter number of affiliates ☐ Yes ☐ NoH(c) Are all affiliates included? ☐ Yes ☐ No

(If "No," att. a list. See instr.)

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

I Group Exemption Number

M Check ☐ if the organization is not required

to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: WWW.ALIVEHOSPICE.ORG

J Organization type

(check only one) ☒ 501(c) ( 3 ) (insert no.) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than \$25,000.

The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 18,624,901

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a	1,012,596	
b	Indirect public support	1b	275,354	
c	Government contributions (grants)	1c	121,258	
d	Total (add lines 1a through 1c) (cash \$ 1,409,208 noncash \$ )	1d	1,409,208	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	17,163,262	
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4	5,739	
5	Dividends and interest from securities	5	37,528	
6a	Gross rents	6a		
b	Less: rental expenses	6b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe )	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	300
b	Less: cost or other basis and sales expenses	8b	676	
c	Gain or (loss) (attach schedule)	8c	-376	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	SEE STMT 1	8d	-376
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
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	8,864	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	18,624,225	
13	Program services (from line 44, column (B))	13	13,810,305	
14	Management and general (from line 44, column (C))	14	3,071,030	
15	Fundraising (from line 44, column (D))	15	487,702	
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	17,369,037	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	1,255,188	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	13,191,372	
20	Other changes in net assets or fund balances (attach explanation)	SEE STATEMENT 2	20	45,181
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	14,491,741	

**Part II** Statement of  
Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals	23				
24 Benefits paid to or for members	24				
25 Compensation of officers, directors, etc.	25	722,000	539,019	169,922	13,059
26 Other salaries and wages	26	6,790,520	5,069,561	1,598,140	122,819
27 Pension plan contributions	27	373,083	290,632	76,109	6,342
28 Other employee benefits	28	752,897	586,640	153,308	12,949
29 Payroll taxes	29	566,860	428,989	127,269	10,602
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	535,567	479,664	54,187	1,716
34 Telephone	34	160,365	100,126	60,146	93
35 Postage and shipping	35	39,418	7,811	14,814	16,793
36 Occupancy	36	37,139	29,711	7,428	
37 Equipment rental and maintenance	37	260,189	65,506	194,683	
38 Printing and publications	38	89,538	22,950	57,647	8,941
39 Travel	39	341,344	318,556	22,648	140
40 Conferences, conventions, and meetings	40	120,223	56,441	57,374	6,408
41 Interest	41	162,858		476	162,382
42 Depreciation, depletion, etc. (attach schedule)	42				
43 Other expenses not covered above (itemize): a	43a				
b SEE STATEMENT 3	43b	6,417,036	5,814,699	476,879	125,458
c	43c				
d	43d				
e	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	17,369,037	13,810,305	3,071,030	487,702

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

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

(iii) the amount allocated to Management and general \$ \_\_\_\_\_ ; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III** Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

► SEE STATEMENT 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts; but optional for others.)

a PROVIDE HOME HEALTH CARE AND COUNSELING TO PATIENTS WITH LIFE THREATENING ILLNESSES	
(Grants and allocations \$ _____)	13,810,305
b	
(Grants and allocations \$ _____)	
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	13,810,305

**Part IV Balance Sheets** (See page 25 of 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
45	Cash-non-interest-bearing .....	2,991,040	45	3,756,655
46	Savings and temporary cash investments .....		46	
47a	Accounts receivable .....	3,451,710		
b	Less: allowance for doubtful accounts .....	342,785	47c	3,108,925
48a	Pledges receivable .....	408,492		
b	Less: allowance for doubtful accounts .....	157,201	48c	251,291
49	Grants receivable .....		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule) .....		50	
51a	Other notes and loans receivable (attach schedule) .....			
b	Less: allowance for doubtful accounts .....		51c	
52	Inventories for sale or use .....		52	
53	Prepaid expenses and deferred charges .....	66,926	53	67,281
54	Investments-securities <b>SEE STATEMENT 5</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV .....	1,193,303	54	1,346,609
55a	Investments-land, buildings, and equipment: basis .....			
b	Less: accumulated depreciation (attach schedule) .....		55c	
56	Investments-other (attach schedule) .....		56	
57a	Land, buildings, and equipment: basis .....	12,083,361		
b	Less: accumulated depreciation (attach schedule) <b>SEE STATEMENT 6</b> .....	2,146,750	57c	9,936,611
58	Other assets (describe <input type="checkbox"/> ) .....		58	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) .....	17,163,965	59	18,467,372
60	Accounts payable and accrued expenses .....	1,532,593	60	1,775,631
61	Grants payable .....		61	
62	Deferred revenue .....		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule) .....		63	
64a	Tax-exempt bond liabilities (attach schedule) <b>SEE WORKSHEET</b> .....	2,440,000	64a	2,200,000
b	Mortgages and other notes payable (attach schedule) .....		64b	
65	Other liabilities (describe <input type="checkbox"/> ) .....		65	
66	<b>Total liabilities</b> (add lines 60 through 65) .....	3,972,593	66	3,975,631
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted .....	11,960,173	67	13,160,985
68	Temporarily restricted .....	231,199	68	330,756
69	Permanently restricted .....	1,000,000	69	1,000,000
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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) .....	13,191,372	73	14,491,741
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) .....	17,163,965	74	18,467,372

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.

**Reconciliation of Revenue per Audited  
Financial Statements with Revenue per  
Return (See page 27 of the instructions.)**

### Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ..... ☐ Yes ☒ No  
If "Yes," attach schedule-see page 28 of the instructions.

**Part VI Other Information** (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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 over for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
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) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	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	88	X
89a	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) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed <b>NONE</b>		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	193
91	The books are in care of <b>DOUG WEAVER</b> Telephone no. <b>615-327-1085</b> Located at <b>NASHVILLE, TN</b> ZIP + 4 <b>37203</b>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 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 <b>INSURANCE AND PATIENT PYMTS</b>					<b>935,191</b>
b					
c					
d					
e					
f Medicare/Medicaid payments					<b>16,228,071</b>
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			<b>14</b>	<b>5,739</b>	
96 Dividends and interest from securities			<b>14</b>	<b>37,528</b>	
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					
100 Gain or (loss) from sales of assets other than inventory					<b>-376</b>
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b <b>OTHER REVENUE</b>					<b>8,864</b>
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		<b>0</b>		<b>43,267</b>	<b>17,171,750</b>
105 Total (add line 104, columns (B), (D), and (E))					<b>17,215,017</b>

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a-103b	<b>INCOME DERIVED FROM PROVIDING HOME HEALTH CARE AND COUNSELING TO PATIENTS WITH LIFE THREATENING ILLNESSES</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of 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 page 34 of 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).

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

*Gary W. Maxey* ✓ p/CFO  
Signature of officer  
*Gary W. Maxey, Chief Financial Officer*  
Type or print name and title.

Date

*5/16/05*

Paid  
Preparer's  
Use Only

Preparer's  
signature

Firm's name (or yours  
if self-employed),  
address, and ZIP + 4

*[Signature]*  
**BLANKENSHIP CPA GROUP, PLLC**  
**109 WESTPARK DRIVE, SUITE 430**  
**BRENTWOOD, TN 37027-5032**

Date

*5-11-05*

Check if  
self-  
employed ☐

Preparer's SSN or PTIN  
(See Gen. Instr. W)

**P00156467**

EIN

**45-0491842**

Phone

**615-373-3771**