

Return of Organization Exempt From Income Tax

2006

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)Open to Public
InspectionDepartment 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 2006 calendar year, or tax year beginning 9/01, 2006, and ending 8/31, 2007

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
instruc-
tions.C
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 . . . ▶ 8,327,787.

Part I 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	1,081,466.		
c Indirect public support (not included on line 1a)	1c	16,707.		
d Government contributions (grants) (not included on line 1a)	1d	6,009,234.		
e Total (add lines 1a through 1d) (cash \$ 6,844,931. noncash \$ 262,476.)	1e			7,107,407.
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			871,319.
3 Membership dues and assessments.	3			133,704.
4 Interest on savings and temporary cash investments.	4			
5 Dividends and interest from securities.	5			1,724.
6a Gross rents	6a	80,577.		
b Less: rental expenses.	6b	105,090.		
c Net rental income or (loss). Subtract line 6b from line 6a.	6c			-24,513.
7 Other investment income (describe)	7			
8a Gross amount from sales of assets other than inventory.	(A) Securities		(B) Other	
b Less: cost or other basis and sales expenses.	8a	29,150.		
c Gain or (loss) (attach schedule). STATEMENT 1	8b	640.		
d Net gain or (loss). Combine line 8c, columns (A) and (B).	8c	28,510.		
9 Special events and activities (attach schedule). If any amount is from gaming, check here . . . <input type="checkbox"/>	8d			28,510.
a Gross revenue (not including \$ 218,502. of contributions reported on line 1b).	9a	104,550.		
b Less: direct expenses other than fundraising expenses.	9b	105,175.		
c Net income or (loss) from special events. Subtract line 9b from line 9a. STATEMENT 2	9c			-625.
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			-644.
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11.	12			8,116,882.
13 Program services (from line 44, column (B)).	13			8,591,260.
14 Management and general (from line 44, column (C)).	14			1,062,791.
15 Fundraising (from line 44, column (D)).	15			290,406.
16 Payments to affiliates (attach schedule). SEE STATEMENT 3	16			164,179.
17 Total expenses. Add lines 16 and 44, column (A).	17			10,108,636.
18 Excess or (deficit) for the year. Subtract line 17 from line 12.	18			-1,991,754.
19 Net assets or fund balances at beginning of year (from line 73, column (A)).	19			-2,365,104.
20 Other changes in net assets or fund balances (attach explanation). SEE STATEMENT 4	20			-1,970,326.
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20.	21			-6,327,184.

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.

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..5	23 69,809.	69,809.		
24 Benefits paid to or for members (attach schedule).....	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch).....	25a 307,116.	289,715.	7,224.	10,177.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch).....	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) (attach schedule).....	25c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c.....	26 5,197,571.	4,900,619.	123,283.	173,669.
27 Pension plan contributions not included on lines 25a, b, and c.....	27 678,138.	639,677.	15,967.	22,494.
28 Employee benefits not included on lines 25a - 27.....	28 313,220.	295,338.	7,424.	10,458.
29 Payroll taxes.....	29 501,103.	472,519.	11,867.	16,717.
30 Professional fundraising fees.....	30			
31 Accounting fees.....	31			
32 Legal fees.....	32			
33 Supplies.....	33 132,630.	124,977.	4,198.	3,455.
34 Telephone.....	34 93,901.	83,399.	8,938.	1,564.
35 Postage and shipping.....	35 7,877.	4,705.	1,428.	1,744.
36 Occupancy.....	36 76,650.	76,650.		
37 Equipment rental and maintenance.....	37 65,666.	59,648.		6,018.
38 Printing and publications.....	38 7,860.	2,815.	1,100.	3,945.
39 Travel.....	39 236,799.	199,556.	35,098.	2,145.
40 Conferences, conventions, and meetings.....	40 6,850.	4,086.	2,578.	186.
41 Interest.....	41 709,819.		709,819.	
42 Depreciation, depletion, etc (attach schedule).....	42 473,213.	430,871.	32,794.	9,548.
43 Other expenses not covered above (itemize):				
a SEE STATEMENT 6	43a 1,066,235.	936,876.	101,073.	28,286.
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 9,944,457.	8,591,260.	1,062,791.	290,406.

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

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

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

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

a SEE ATTACHED STATEMENT

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

8,591,260.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

e Other program services

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

8,591,260.

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Form 990 (2006)

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	204,529.	45	32,624.	
	46 Savings and temporary cash investments	29,987.	46	244,557.	
	47 a Accounts receivable	47 a 63,111.			
	b Less: allowance for doubtful accounts	47 b	95,856.	47 c 63,111.	
	48 a Pledges receivable	48 a			
	b Less: allowance for doubtful accounts	48 b	49,334.	48 c	
	49 Grants receivable	639,189.	49	862,112.	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b		
	51 a Other notes and loans receivable (attach schedule)	51 a			
	b Less: allowance for doubtful accounts	51 b		51 c	
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges	34,853.	53	39,698.	
	54 a Investments — publicly-traded securities	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		54 a	
	b Investments — other securities (attach sch.)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54 b	
55 a Investments — land, buildings, & equipment: basis	55 a				
b Less: accumulated depreciation (attach schedule)	55 b		55 c		
56 Investments — other (attach schedule)		56			
57 a Land, buildings, and equipment: basis	57 a 10,526,011.				
b Less: accumulated depreciation (attach schedule)	57 b 3,822,370.	7,981,193.	57 c	6,703,641.	
58 Other assets, including program-related investments (describe ► <u>SEE STATEMENT 8</u>)		316,419.	58	146,869.	
59 Total assets (must equal line 74). Add lines 45 through 58		9,351,360.	59	8,092,612.	
LIABILITIES	60 Accounts payable and accrued expenses	1,818,232.	60	2,089,119.	
	61 Grants payable		61		
	62 Deferred revenue	525,024.	62	1,314,963.	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64 a Tax-exempt bond liabilities (attach schedule)		64 a		
	b Mortgages and other notes payable (attach schedule)	SEE STATEMENT 9	9,040,170.	64 b	10,072,336.
	65 Other liabilities (describe ► <u>SEE STATEMENT 10</u>)		333,038.	65	943,378.
66 Total liabilities. Add lines 60 through 65		11,716,464.	66	14,419,796.	
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	-2,414,438.	67	-6,327,184.	
	68 Temporarily restricted	49,334.	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)	-2,365,104.	73	-6,327,184.	
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	9,351,360.	74	8,092,612.	

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Form 990 (2006)

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	8,221,972.
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): _____	b4	105,090.
	SEE STM 11		
	Add lines b1 through b4	b	105,090.
c	Subtract line b from line a	c	8,116,882.
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	8,116,882.

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

a	Total expenses and losses per audited financial statements.....	a	12,184,052.
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	2,075,416.
	Add lines b1 through b4	b	2,075,416.
c	Subtract line b from line a	c	10,108,636.
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	10,108,636.

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.)

[illegible]

Yes	No
-----	----

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75 b	X
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75c	X
-----	---

75d	X	
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Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]

Yes	No
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76	X
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77		X
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78a	X	
-----	---	--

78b	X	
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79		X
----	--	---

80 a	X
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.	81 b		X
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Part VI 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
82 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.).....	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?.....	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?.....	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?.....		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?.....	N/A	
85 a	501(c)(4), (5), or (6) organizations. Were substantially all dues nondeductible by members?.....	N/A	
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?.....	N/A	
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.			
85 c	Dues, assessments, and similar amounts from members.....	N/A	
85 d	Section 162(e) lobbying and political expenditures.....	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.....	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e).....	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?.....	N/A	
85 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	
86 a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.....	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities.....	N/A	
87 a	501(c)(12) organizations. Enter: a Gross income from members or shareholders.....	N/A	
87 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	
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 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
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.		
89 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 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.....	0.	
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization.....	0.	
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?..		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?.....		X
89 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
90 a	List the states with which a copy of this return is filed ▶ <u>TN</u>		
90 b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.).....	412	
91 a	The books are in care of ▶ <u>FREDERICK DOWLING</u> Telephone number ▶ <u>(615) 292-6640</u> Located at ▶ <u>2001 WOODMONT BOULEVARD, NASHVILLE TN</u> ZIP + 4 ▶ <u>37215</u>		
91 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)?..... If 'Yes,' enter the name of the foreign country .. ▶		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

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Form 990 (2006)

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91 c** ☐ 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 VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a CAMP FEES					70,428.
b CONTRACT SERVICES					287,768.
c PROGRAM SERVICE FEES					467,546.
d WORKSHOP REVENUE					45,577.
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					133,704.
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	1,724.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	531190	-29,307.	16	4,794.	
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	28,510.	
101 Net income or (loss) from special events			1	-625.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b MISCELLANEOUS			1	-644.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		-29,307.		33,759.	1,005,023.
105 Total (add line 104, columns (B), (D), and (E))					1,009,475.

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).
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 ☒ 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).

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

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
	X

	(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
	X

	(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
	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 6/3/08

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

**Paid
Pre-
parer's
Use
Only**

Preparer's signature 

Date 5-29-08

Check if self-employed ☒ ☐

Preparer's SSN or PTIN (See General Instruction W) 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 (2006)

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.)**

OMB No. 1545-0047

2006**▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

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
PAULA JENNINGS NASHVILLE, TN	SR DIR OPER 40	67,000.	4,690.	0.
KRISTINE KELLY NASHVILLE, TN	VP HR 40	78,000.	5,460.	0.
MARY GARDNER NASHVILLE, TN	SR DIR PROG OP 40	76,524.	5,357.	0.
RITA BAUMGARTNER BRENTWOOD, TN	VP DEVELOPMENT 40	75,000.	5,250.	0.
LAURIE MIER SMYRNA, TN	DIR DONOR REL 40	57,925.	4,055.	0.
Total number of other employees paid over \$50,000 ▶	0			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	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
ATIBA SOFTWARE 1720 WEST END AVE. #300 NASHVILLE, TN 37203	COMPUTER SUPPORT	58,042.
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) 2006

Part III 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) 2006

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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	9,114,691.	8,103,809.	6,617,803.	5,805,608.	29,641,911.
16 Membership fees received	135,965.	164,311.	141,352.	134,453.	576,081.
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.	2,091,340.	2,293,566.	2,140,729.	1,386,220.	7,911,855.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.	163,458.	146,230.	215,729.	112,833.	638,250.
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. 14	-1,519.	-9.	12,712.	25,577.	36,761.
23 Total of lines 15 through 22.	11,503,935.	10,707,907.	9,128,325.	7,464,691.	38,804,858.
24 Line 23 minus line 17.	9,412,595.	8,414,341.	6,987,596.	6,078,471.	30,893,003.
25 Enter 1% of line 23.	115,039.	107,079.	91,283.	74,647.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.					26a 617,860.
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 134,720.
c Total support for section 509(a)(1) test: Enter line 24, column (e).					26c 30,893,003.
d Add: Amounts from column (e) for lines: 18 638,250. 19					26d 809,731.
22 36,761. 26b 134,720.					
e Public support (line 26c minus line 26d total).					26e 30,083,272.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 97.38 %
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: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
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: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total).					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e).					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See 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?.....		
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?.....		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?.....		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?.....		
d Copies of all material used by the organization or on its behalf to solicit contributions?.....		
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?.....		
b Admissions policies?.....		
c Employment of faculty or administrative staff?.....		
d Scholarships or other financial assistance?.....		
e Educational policies?.....		
f Use of facilities?.....		
g Athletic programs?.....		
h Other extracurricular activities?.....		
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?.....		
b Has the organization's right to such aid ever been revoked or suspended?..... 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.....		

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		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term 'expenditures' means amounts paid or incurred.)			
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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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.

BAA

Schedule A (Form 990 or 990-EZ) 2006

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

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

a Transfers from the reporting organization to a noncharitable exempt organization of:

Yes	No
-----	----

(i) Cash	51 a (i)	X
----------------	----------	---

51 a (i)		X
----------	--	---

(ii) Other assets	a (ii)		X
-------------------------	--------	--	---

a (ii)	X
--------	---

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization.....	b (i)	X
--	-------	---

b (i)	X
-------	---

(ii) Purchases of assets from a noncharitable exempt organization.....	b (ii)		X
--	--------	--	---

b (ii)		X
--------	--	---

(iii) Rental of facilities, equipment, or other assets.....	b (iii)	X
---	---------	---

b (iii)	X
---------	---

(iv) Reimbursement arrangements.....	b (iv)	X
--------------------------------------	--------	---

b (iv)		X
--------	--	---

(v) Loans or loan guarantees.....	b (v)		X
-----------------------------------	-------	--	---

$b(v)$		X
--------	--	---

(vi) Performance of services or membership or fundraising solicitations.....	b (vi)		X
--	--------	--	---

b (vi)		X
--------	--	---

Sharing of facilities, equipment, mailing lists, other assets, or paid employees.....	c	X
---	---	---

C		X
---	--	---

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

[illegible]

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

► ☐ Yes ☒ No

b If 'Yes,' complete the following schedule:

[illegible]

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	EASTER SEALS TENNESSEE, INC.	62-0504893
	Number, street, and room or suite number. If a P.O. box, see instructions.	For IRS use only
	2001 WOODMONT BLVD.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	NASHVILLE, TN 37215	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of. ▶ RICK MACLEAN
Telephone No. ▶ 615-292-6640 FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box. ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN). If this is for the whole group, check this box. ☐ . If it is for part of the group, check this box. ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until 7/15, 20 08.
- 5 For calendar year _____, or other tax year beginning 9/01, 20 06, and ending 8/31, 20 07.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension. THE AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2000 IS NOT YET COMPLETE. THE AUDIT IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs.	8c \$

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Diana M. Landa Title ▶ CPA Date ▶ 4/21/08

Notice to Applicant. (To be Completed by the IRS)

- ☐ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- ☐ Other _____

Director _____

By: _____

Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	FRASIER, DEAN & HOWARD, PLLC
	Number and street (include suite, room, or apartment number) or a P.O. box number
	3310 WEST END AVENUE, STE. 550
	City or town, province or state, and country (including postal or ZIP code)
	NASHVILLE, TN 37203

BAA

FIFZ0502L 05/01/07

Form 8868 (Rev 4-2007)

Olmar
4/21/08

EASTER SEALS TENNESSEE, INC.

62-0504893

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

OTHER ASSETS

DESCRIPTION:	VEHICLES		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	29,150.		
COST OR OTHER BASIS:	360,506.		
DEPRECIATION:	359,866.		
		GAIN (LOSS)	28,510.

TOTAL GAIN (LOSS) OTHER ASSETS \$ 28,510.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 28,510.

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

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI-BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
OTHER	134,925.	134,925.	0.	46,572.	-46,572.
NASHVILLIAN	132,125.	65,975.	66,150.	40,984.	25,166.
HOME TOUR	29,352.	7,952.	21,400.	9,725.	11,675.
GOLF TOURNAMENT	26,650.	9,650.	17,000.	7,894.	9,106.
TOTAL	<u>\$ 323,052.</u>	<u>\$ 218,502.</u>	<u>\$ 104,550.</u>	<u>\$ 105,175.</u>	<u>\$ -625.</u>

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

<u>NAME AND ADDRESS</u>	<u>PURPOSE OF PAYMENT</u>	<u>AMOUNT</u>
NATIONAL EASTER SEAL SOCIETY CHICAGO, IL	NATIONAL PROGRAM FEE	\$ 164,179.
	TOTAL	<u>\$ 164,179.</u>

STATEMENT 4
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

ASSET IMPAIRMENT WRITEDOWN PER AUDIT.....	\$ -1,350,779.
CHANGE IN FUNDED STATUS OF PENSION PLAN PER AUDIT.....	-619,547.
TOTAL	\$ -1,970,326.

STATEMENT 5
FORM 990, PART II, LINE 23
SPECIFIC ASSISTANCE TO INDIVIDUALS

RESIDENTIAL GUARDIANSHIP.....	\$ 69,809.
TOTAL	\$ 69,809.

STATEMENT 6
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	12,282.	12,207.	75.	
AWARDS & RECOGNITION	3,703.	3,005.	632.	66.
BANK CHARGES	10,298.	8,302.	1,807.	189.
BUILDING & GROUNDS MAINTENANCE	152,249.	141,045.	6,883.	4,321.
CONTRACTED SERVICES	399,947.	357,196.	31,141.	11,610.
INSURANCE	174,434.	162,596.	9,043.	2,795.
LATE FEES & FINANCE CHARGES	16,985.	13,782.	2,900.	303.
LETTER OF CREDIT FEES	34,898.		34,898.	
LICENSES & FEES	9,063.	7,301.	1,595.	167.
MEMBERSHIP AND SUPPORT PAYMENTS	6,055.	3,557.	1,759.	739.
MISCELLANEOUS	6,438.	5,143.	1,173.	122.
PROFESSIONAL FEES	81,253.	72,616.	6,291.	2,346.
UTILITIES	158,630.	150,126.	2,876.	5,628.
TOTAL	\$ 1,066,235.	\$ 936,876.	\$ 101,073.	\$ 28,286.

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

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 818,671.	\$ 313,355.	\$ 505,316.
MACHINERY AND EQUIPMENT	1,333,103.	1,184,872.	148,231.
BUILDINGS	6,511,680.	2,324,143.	4,187,537.
LAND	1,862,557.		1,862,557.
TOTAL	\$ 10,526,011.	\$ 3,822,370.	\$ 6,703,641.

EASTER SEALS TENNESSEE, INC.

62-0504893

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

LOAN COSTS, NET.....	\$	146,869.
TOTAL	\$	<u>146,869.</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	1,047,031.
TOTAL MORTGAGES	\$ <u>3,797,031.</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:	8.75%	
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:	3.95%	
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:	7.50%	
SECURITY PROVIDED:	ALL ASSETS	
BALANCE DUE:		\$ 904,082.

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:	11.25%	
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:		\$ 17,954.

LENDER'S NAME:	FORD CREDIT	
DATE OF NOTE:	1/10/2007	
MATURITY DATE:	12/10/2011	
REPAYMENT TERMS:	MONTHLY PMTS OF \$10,142	
INTEREST RATE:	7.99%	
SECURITY PROVIDED:	33 2007 FORD TAURUSES	
ORIGINAL AMOUNT:	500,330.	
BALANCE DUE:		\$ 435,769.

TOTAL OTHER NOTES PAYABLE \$ 6,275,305.

TOTAL \$ 10,072,336.

STATEMENT 10
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

ACCRUED PENSION LIABILITY.....	\$ 943,378.
TOTAL	\$ <u>943,378.</u>

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

RENTAL EXPENSES NETTED AGAINST INCOME.....	\$ 105,090.
TOTAL	\$ <u>105,090.</u>

EASTER SEALS TENNESSEE, INC.

62-0504893

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

ASSET IMPAIRMENT WRITEDOWN PER AUDIT.....	\$	1,350,779.
CHANGE IN FUNDED STATUS OF BENEFIT PLAN.....		619,547.
RENTAL EXPENSES NETTED AGAINST INCOME.....		105,090.
TOTAL	\$	<u>2,075,416.</u>

STATEMENT 13
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JEFFREY LEWIS LEXINGTON, TN	BOARD MEMBER 0	\$ 0.	\$ 0.	\$ 0.
SUSAN ARMINGER NASHVILLE, TN	CEO 0	79,615.	5,573.	0.
MIKE CAMPBELL NASHVILLE, TN	TREASURER 1	0.	0.	0.
FREDERICK DOWLING NASHVILLE, TN	CFO 0	39,043.	0.	0.
WILLIAM ANDREWS FRANKLIN, TN	CHAIRMAN 1	0.	0.	0.
SAMUEL HOWARD BRENTWOOD, TN	SECRETARY 1	0.	0.	0.
ASHLEY COTTRELL NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
LARRY KING NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
BUDDY KILLEN NASHVILLE, TN	PAST CHAIRMAN 1	0.	0.	0.

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 13 (CONTINUED)

FORM 990, PART V-A

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
GINGI LANIUS FRANKLIN, TN	CEO 40	\$ 142,304.	\$ 9,961.	\$ 0.
RICHARD MACLEAN NASHVILLE, TN	CFO 40	46,154.	3,231.	0.
	TOTAL	\$ 307,116.	\$ 18,765.	\$ 0.

STATEMENT 14

SCHEDULE A, PART IV-A, LINE 22

OTHER INCOME

DESCRIPTION	(A) 2005	(B) 2004	(C) 2003	(D) 2002	(E) TOTAL
MISCELLANEOUS	\$ -1,519.	\$ -9.	\$ 12,712.	\$ 25,577.	\$ 36,761.
TOTAL	\$ -1,519.	\$ -9.	\$ 12,712.	\$ 25,577.	\$ 36,761.

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	\$ 100,227
MACHINERY & EQUIPMENT	101,602
BUILDINGS	268,587
AMORTIZATION	12,000

TOTAL	\$ 482,416
LESS AMOUNT ALLOCATED TO RENTAL	(9,203)

TOTAL REPORTED ON LINE 42	\$ 473,213
	=====

Easter Seals Tennessee, Inc.
2006 Form 990, Part III, Statement of Program Service Accomplishments
FEIN 62-0504893

Program list

Easter Seals Camp is a 100-acre camp on Old Hickory Lake in Mt. Juliet where children and adults with disabilities can enjoy recreational activities in a family-oriented environment that fosters self-reliance, resourcefulness and independence. (statewide)

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)

Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No. 1545-0687

For calendar year 2006 or other tax year beginning 9/01, 2006,
and ending 8/31, 2007**2006**Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

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

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 530(a) <input type="checkbox"/> 408A <input type="checkbox"/> 529(a)	Print or Type	(<input type="checkbox"/> Check box if name changed and see instructions.) EASTER SEALS TENNESSEE, INC. 2001 WOODMONT BOULEVARD NASHVILLE, TN 37215	D Employer identification number (Employees' trust, see instructions for Block D.) 62-0504893 E Unrelated business activity codes (See instructions for Block E.)
C Book value of all assets at end of year <u>8,092,612.</u>			
F Group exemption number (See instructions for Block F.) ▶			
G Check organization type: <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust			

H Describe the organization's primary unrelated business activity.▶ **FACILITY RENTAL**
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? ... ☐ Yes ☒ No
 If 'Yes,' enter the name and identifying number of the parent corporation ... ▶

J The books are in care of. ▶ **FREDERICK DOWLING** Telephone number ▶ (615) 292-6640

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales ...				
b Less returns and allowances ...	c Balance ▶	1 c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit. Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4 b		
c Capital loss deduction for trusts		4 c		
5 Income (loss) from partnerships and S corporations (attach statement)		5		
6 Rent income (Schedule C)		6	75,783.	105,090.
7 Unrelated debt-financed income (Schedule E)		7		
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions; attach schedule.)		12		
13 Total. Combine lines 3 through 12		13	75,783.	105,090.
				-29,307.

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.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules.)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a	22 b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	
29 Total deductions. Add lines 14 through 28	29	
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	-29,307.
31 Net operating loss deduction (limited to the amount on line 30)	31	SEE STATEMENT 1
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	-29,307.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-29,307.

Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.
 Controlled group members (sections 1561 and 1563) check here ☐ . See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ (2) \$ (3) \$
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$
 (2) Additional 3% tax (not more than \$100,000) \$
c Income tax on the amount on line 34 **35c** 0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount
 on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) **36**
37 Proxy tax. See instructions. **37**
38 Alternative minimum tax. **38**
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies. **39** 0.

Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116).... **40a**
b Other credits (see instructions)..... **40b**
c General business credit. Check here and indicate which forms are attached:
☐ Form 3800 ☐ Form(s) (specify) **40c**
d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d**
e Total credits. Add lines 40a through 40d..... **40e** 0.
41 Subtract line 40e from line 39..... **41** 0.
42 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611.. ☐ Form 8697 ☐ Form 8866
☐ Other (attach schedule)..... **42**
43 Total tax. Add lines 41 and 42..... **43** 0.
44a Payments: A 2005 overpayment credited to 2006..... **44a**
b 2006 estimated tax payments..... **44b**
c Tax deposited with Form 8868..... **44c**
d Foreign organizations: Tax paid or withheld at source (see instructions)..... **44d**
e Backup withholding (see instructions)..... **44e**
f Credit for federal telephone excise tax paid (attach Form 8913)..... **44f**
g Other credits and payments: ☐ Form 2439
☐ Form 4136 ☐ Other Total... **44g**
45 Total payments. Add lines 44a through 44g..... **45** 0.
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached. ☐ **46**
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed. **47**
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid. **48**
49 Enter the amount of line 48 you want: **Credited to 2007 estimated tax** ☒ **Refunded** ☐ **49**

Part V Statements Regarding Certain Activities and Other Information (see instructions.)

1 At any time during the 2006 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? If YES, the organization may have to file Form TD F 90-22.1.
 If YES, enter the name of the foreign country here.. **Yes** ☐ **No** ☒
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?..
 If YES, see the instructions for other forms the organization may have to file. **Yes** ☐ **No** ☒
3 Enter the amount of tax-exempt interest received or accrued during the tax year \rightarrow \$ 0.

Schedule A – Cost of Goods Sold. Enter method of inventory valuation \rightarrow

1 Inventory at beginning of year..... 1 <u> </u>	6 Inventory at end of year..... 6 <u> </u>
2 Purchases..... 2 <u> </u>	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2..... 7 <u> </u>
3 Cost of labor..... 3 <u> </u>	
4a Additional section 263A costs (attach schedule)..... 4a <u> </u>	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?..... Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
b Other costs (attach sch)..... 4b <u> </u>	
5 Total. Add lines 1 through 4b..... 5 <u> </u>	

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <u> </u> Date <u>6/3/08</u> Title <u>President & CEO</u>	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	Preparer's signature <u> </u> Date <u>5-25-08</u> Check if self-employed <input checked="" type="checkbox"/> Preparer's SSN or PTIN <u>P00167048</u>	
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code <u>FRASIER, DEAN & HOWARD, PLLC</u> <u>3310 WEST END AVENUE, STE. 550</u> <u>NASHVILLE, TN 37203</u>	EIN <u>62-1073578</u> Phone no. <u>(615) 383-6592</u>

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)**1** Description of property

(1) CAMP

(2)

(3)

(4)

2 Rent received or accrued(a) From personal property
(if the percentage of rent for personal
property is more than 10% but
not more than 50%)(b) From real and personal property
(if the percentage of rent for
personal property exceeds 50% or
if the rent is based on profit or income)**3** Deductions directly connected
with the income in columns 2(a) and 2(b)
(attach schedule)

SEE STATEMENT 2

(1) 75,783. 105,090.

(2)

(3)

(4)

Total Total 75,783.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)..... ▶ 75,783. **Total deductions.** Enter here and on page 1, Part I, line 6, column (B).... ▶ 105,090.**Schedule E – Unrelated Debt-Financed Income** (see instructions)**1** Description of debt-financed property**2** Gross income from
or allocable to
debt-financed property**3** Deductions directly connected with or allocable to
debt-financed property(a) Straight line
depreciation (attach sch)(b) Other deductions
(attach schedule)

(1)

(2)

(3)

(4)

4 Amount of average
acquisition debt on or
allocable to debt-financed
property (attach schedule)**5** Average adjusted basis of
or allocable to debt-financed
property (attach schedule)**6** Column 4
divided by
column 5**7** Gross income
reportable
(column 2 x column 6)**8** Allocable deductions
(column 6 x total of
columns 3(a) and 3(b))

(1) %

(2) %

(3) %

(4) %

Totals ▶ Enter here and on page 1, Part I, line 7, column (A). Enter here and on page 1, Part I, line 7, column (B).**Total dividends-received deductions** included in column 8. ▶**Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations** (see instructions)**1** Name of Controlled
Organization**2** Employer
Identification
Number

Exempt Controlled Organizations

3 Net unrelated
income (loss)
(see instructions)**4** Total of specified
payments made**5** Part of column 4
that is included
in the controlling
organization's
gross income**6** Deductions directly
connected with income
in column 5

(1)

(2)

(3)

(4)

Nonexempt Controlled Organizations

7 Taxable Income**8** Net unrelated
income (loss)
(see instructions)**9** Total of specified
payments made**10** Part of column 9 that is
included in the controlling
organization's gross income**11** Deductions directly
connected with income
in column 10

(1)

(2)

(3)

(4)

Add columns 5 and 10. Enter
here and on page 1, Part I, line
8, column (A).Add columns 6 and 11. Enter
here and on page 1, part I, line
8, column (B).**Totals** ▶

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).
Totals				

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, column (A).	Enter here and on page 1, Part I, line 10, column (B).				Enter here and on page 1, Part II, line 26.
Totals						

Schedule J – Advertising Income (See instructions.)**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)).						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
	Enter here and on page 1, Part I, line 11, column (A).	Enter here and on page 1, Part I, line 11, column (B).				Enter here and on page 1, Part II, line 27.
Totals, Part II (lines 1-5)						

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			

NX 34 200708 670
200810 134068

37215

K
IRS USE ONLY29404-033-56329-8 A0154726 211A
620504893 TE 3Department of the Treasury
Internal Revenue Service
OGDEN, UT 84201-0074For assistance, call:
1-877-829-5500Notice Number: CP211A
Date: March 17, 2008Taxpayer Identification Number:
62-0504893
Tax Form: 990T
Tax Period: August 31, 2007

077699.477554.0243.006 1 AT 0.334 530

EASTER SEALS TENNESSEE INC
2001 WOODMONT BLVD
NASHVILLE TN 37215-1531011**APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT
ORGANIZATION RETURN - APPROVED**

We have received your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above.

We have approved your request and have extended the due date to file your return to June 15, 2008.

Please attach a copy of this letter to your return when you file it. It is evidence that we granted an extension of time to file your return. A copy is provided for your records.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top left of this letter.

Reminder - You May Be Required to File Electronically

Exempt organizations may be required to file certain returns electronically. For tax years ending on or after December 31, 2006, the electronic filing requirement applies to exempt organizations with \$10 million or more in total assets if the organization files at least 250 returns in a calendar year, including income, excise, employment tax and information returns. Private foundations and charitable trusts will be required to file Forms 990-PF electronically regardless of their asset size, if they file at least 250 returns annually. For more information, go to www.irs.gov. Click "Charities and Non-Profits" and look for the "e-file for Charities and Non-Profits" tab.

For tax forms, instructions and information visit www.irs.gov. (Access to this site will not provide you with your specific taxpayer account information.)

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 1
FORM 990-T, PART II, LINE 31
NET OPERATING LOSS DEDUCTION

LOSS YEAR ENDING	ORIGINAL LOSS	LOSS PREVIOUSLY USED	LOSS AVAILABLE
8/31/03	\$ 54,166.	\$ 0.	\$ 54,166.
8/31/04	14,991.	0.	14,991.
8/31/05	18,582.	0.	18,582.
8/31/06	16,469.	0.	16,469.
NET OPERATING LOSS AVAILABLE.....			\$ 104,208.
TAXABLE INCOME.....			\$ -29,307.
NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....			\$ 0.

STATEMENT 2
FORM 990-T, SCHEDULE C, LINE 3
DEDUCTIONS DIRECTLY CONNECTED WITH INCOME

CAMP

ADVERTISING.....	\$ 453.
AUTO AND TRAVEL.....	1,336.
CLEANING AND MAINTENANCE.....	3,471.
INSURANCE.....	11,097.
LEGAL AND PROFESSIONAL FEES.....	2,252.
LICENSES AND PERMITS.....	278.
MISCELLANEOUS.....	103.
SUPPLIES.....	12,141.
TELEPHONE.....	1,250.
UTILITIES.....	12,727.
WAGES AND SALARIES.....	43,500.
PENSION PLAN CONTRIBUTIONS.....	688.
OTHER EMPLOYEE BENEFITS.....	2,383.
PAYROLL TAXES.....	3,386.
BANK CHARGES.....	284.
PRINTING.....	171.
POSTAGE.....	219.
CONFERENCES AND MEETINGS.....	148.
DEPRECIATION.....	9,203.
TOTAL	\$ 105,090.

2006

GENERAL ELECTIONS

PAGE 1

EASTER SEALS TENNESSEE, INC.

62-0504893

ELECTION TO WAIVE NET OPERATING LOSS CARRYBACK

PURSUANT TO IRC SECTION 172(B)(3), THE ORGANIZATION HEREBY ELECTS TO RELINQUISH THE ENTIRE CARRYBACK PERIOD WITH RESPECT TO THE NET OPERATING LOSS INCURRED FOR THE TAX YEAR ENDED 8/31/07.