

## Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

2007

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service(77)

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

A For the 2007 calendar year, or tax year beginning 7/01, 2007, and ending 6/30, 2008

B Check if applicable:

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

Please use  
IRS label  
or print  
or type.  
See  
specific  
instructions.C  
FIRST STEPS, INC.  
4414 GRANNY WHITE PIKE  
NASHVILLE, TN 37204

D Employer Identification Number

62-0674974

E Telephone number

615-298-5619

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.FIRSTSTEPSNASHVILLE.ORG

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 ... 2,468,946.

## 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	316,721.		
c Indirect public support (not included on line 1a)	1c	230,233.		
d Government contributions (grants) (not included on line 1a)	1d	870,164.		
e Total (add lines 1a through 1d) (cash \$ 1,407,580. noncash \$ 9,538.)	1e			1,417,118.
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			585,995.
3 Membership dues and assessments	3			
4 Interest on savings and temporary cash investments	4			
5 Dividends and interest from securities	5			14,288.
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	396,262.	8a	
b Less: cost or other basis and sales expenses	(B) Other	358,910.	8b	
c Gain or (loss) (attach schedule)	STATEMENT 1	37,352.	8c	
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			37,352.
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 1b)	9a	55,283.		
b Less: direct expenses other than fundraising expenses	9b	19,989.		
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			35,294.
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			
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			2,090,047.
13 Program services (from line 44, column (B))	13			1,596,177.
14 Management and general (from line 44, column (C))	14			217,014.
15 Fundraising (from line 44, column (D))	15			124,800.
16 Payments to affiliates (attach schedule)	16			
17 Total expenses. Add lines 16 and 44, column (A)	17			1,937,991.
18 Excess or (deficit) for the year. Subtract line 17 from line 12	18			152,056.
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			469,345.
20 Other changes in net assets or fund balances (attach explanation)	20			1,581,034.
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21			2,202,435.

**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 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
<b>22a</b> Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	<b>22a</b>			
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	<b>22b</b>			
<b>23</b> Specific assistance to individuals (attach schedule).....	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule).....	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A.....	<b>25a</b> 260,000.	60,000.	96,000.	104,000.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B.....	<b>25b</b> 0.	0.	0.	0.
<b>c</b> 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).....	<b>25c</b> 0.	0.	0.	0.
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c.....	<b>26</b> 907,815.	907,815.		
<b>27</b> Pension plan contributions not included on lines 25a, b, and c.....	<b>27</b> 12,406.	10,300.	1,011.	1,095.
<b>28</b> Employee benefits not included on lines 25a - 27.....	<b>28</b> 135,605.	112,586.	11,049.	11,970.
<b>29</b> Payroll taxes.....	<b>29</b> 87,629.	72,754.	7,140.	7,735.
<b>30</b> Professional fundraising fees.....	<b>30</b>			
<b>31</b> Accounting fees.....	<b>31</b>			
<b>32</b> Legal fees.....	<b>32</b>			
<b>33</b> Supplies.....	<b>33</b> 46,114.	43,142.	2,972.	
<b>34</b> Telephone.....	<b>34</b> 18,814.	15,380.	3,434.	
<b>35</b> Postage and shipping.....	<b>35</b> 4,473.	3,656.	817.	
<b>36</b> Occupancy.....	<b>36</b> 83,794.	68,039.	15,755.	
<b>37</b> Equipment rental and maintenance.....	<b>37</b> 22,812.	18,744.	4,068.	
<b>38</b> Printing and publications.....	<b>38</b> 2,926.	2,392.	534.	
<b>39</b> Travel.....	<b>39</b> 27,009.	26,285.	724.	
<b>40</b> Conferences, conventions, and meetings.....	<b>40</b> 6,920.	4,376.	2,544.	
<b>41</b> Interest.....	<b>41</b> 19,242.	19,242.		
<b>42</b> Depreciation, depletion, etc (attach schedule)....	<b>42</b> 87,754.	73,606.	14,148.	
<b>43</b> Other expenses not covered above (itemize):				
<b>a</b> SEE STATEMENT 4.....	<b>43a</b> 214,678.	157,860.	56,818.	
<b>b</b> .....	<b>43b</b>			
<b>c</b> .....	<b>43c</b>			
<b>d</b> .....	<b>43d</b>			
<b>e</b> .....	<b>43e</b>			
<b>f</b> .....	<b>43f</b>			
<b>g</b> .....	<b>43g</b>			
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).....	<b>44</b> 1,937,991.	1,596,177.	217,014.	124,800.

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 the instructions.)

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

What is the organization's primary exempt purpose? ► SEE STATEMENT 5

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 STATEMENT 6

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐ 1,596,177.

**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) ..... ► 1,596,177.

BAA

Form 990 (2007)

**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
<b>ASSETS</b>	45 Cash — non-interest-bearing .....	326,114.	45	525,858.
	46 Savings and temporary cash investments .....	20,821.	46	170,262.
	47 a Accounts receivable .....	47 a 781.		
	b Less: allowance for doubtful accounts .....	47 b	47 c	781.
	48 a Pledges receivable .....	48 a	48 c	
	b Less: allowance for doubtful accounts .....	48 b		
	49 Grants receivable .....	7,939.	49	84,819.
	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	51 c	
	b Less: allowance for doubtful accounts .....	51 b		
	52 Inventories for sale or use .....		52	
	53 Prepaid expenses and deferred charges .....		53	10,133.
	54 a Investments — publicly-traded securities ... STMT. 7 ... <input checked="" type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	99,377.	54 a	748,344.
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	55 c		
b Less: accumulated depreciation (attach schedule) .....	55 b			
56 Investments — other (attach schedule) .....		56		
57 a Land, buildings, and equipment: basis .....	57 a 2,239,791.			
b Less: accumulated depreciation (attach schedule) ... STATEMENT. 8 ...	57 b 1,232,132.	79,306.	57 c	1,007,659.
58 Other assets, including program-related investments (describe ▶ .....		58		
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58 .....	535,784.	59	2,547,856.	
<b>LIABILITIES</b>	60 Accounts payable and accrued expenses .....	66,439.	60	75,636.
	61 Grants payable .....		61	
	62 Deferred revenue .....		62	
	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 ...		64 b	269,785.
	65 Other liabilities (describe ▶ .....		65	
	66 <b>Total liabilities.</b> Add lines 60 through 65 .....	66,439.	66	345,421.
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted .....	469,345.	67	1,696,995.
	68 Temporarily restricted .....		68	5,440.
	69 Permanently restricted .....		69	500,000.
	<b>Organizations that do not follow SFAS 117, check here</b> <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 and column (B) must equal line 21) .....	469,345.	73	2,202,435.
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 .....	535,784.	74	2,547,856.



Yes	No
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75b		X
75c		X
75d	X	

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

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
-----	----

Did the organization make a change in its activities or methods of conducting activities:  
If 'Yes,' attach a detailed statement of each change .....SEE STATEMENT 13

76	X	
----	---	--

77	X	
----	---	--

78a		X
-----	--	---

78b	N/A
-----	-----

79		X
----	--	---

80 a		X
------	--	---

and check whether it is ☐ exempt or ☐ nonexempt.

81b	X
-----	---

81 b	X
------	---

**Part VI Other Information (continued)**

		Yes	No
<b>82 a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
<b>82 b</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.)		
	56,100.		
<b>83 a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>83 b</b>	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
<b>84 a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>84 b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
<b>85 a</b>	<b>501(c)(4), (5), or (6).</b> Were substantially all dues nondeductible by members?	N/A	
<b>85 b</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, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
<b>85 c</b>	Dues, assessments, and similar amounts from members	N/A	
<b>85 d</b>	Section 162(e) lobbying and political expenditures	N/A	
<b>85 e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
<b>85 f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
<b>85 g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
<b>85 h</b>	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	
<b>86</b>	<b>501(c)(7) organizations.</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12.	N/A	
<b>86 a</b>		N/A	
<b>86 b</b>	Gross receipts, included on line 12, for public use of club facilities.	N/A	
<b>87</b>	<b>501(c)(12) organizations.</b> Enter: <b>a</b> Gross income from members or shareholders	N/A	
<b>87 a</b>		N/A	
<b>87 b</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	
<b>88 a</b>	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
<b>88 b</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
<b>89 a</b>	<b>501(c)(3) organizations.</b> 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>89 b</b>	<b>501(c)(3) and 501(c)(4) organizations.</b> 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
<b>89 c</b>	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0	
<b>89 d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization	0	
<b>89 e</b>	<b>All organizations.</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
<b>89 f</b>	<b>All organizations.</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
<b>89 g</b>	<b>For supporting organizations and sponsoring organizations maintaining donor advised funds.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>90 a</b>	List the states with which a copy of this return is filed <u>TN</u>		
<b>90 b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	32	
<b>91 a</b>	The books are in care of <u>DEE PARKER</u> Telephone number <u>(615) 834-7570</u> Located at <u>3004 TUGGLE AVE NASHVILLE TN</u> ZIP + 4 <u>37211</u>		
<b>91 b</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 <b>Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</b>			

**Part VI Other Information** (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?..... 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 PROGRAM SERVICE FEES					581,738.
b TN EARLY INTERVENTION					4,257.
c					
d					
e					
f Medicare/Medicaid payments.....					
g Fees & contracts from government agencies...					
94 Membership dues and assessments.					
95 Interest on savings & temporary cash invmnts.					
96 Dividends & interest from securities.			14	14,288.	
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 pers prop. ....					
99 Other investment income.....					
100 Gain or (loss) from sales of assets other than inventory.....			18	37,352.	
101 Net income or (loss) from special events.....			1	35,294.	
102 Gross profit or (loss) from sales of inventory.....					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)).....				86,934.	585,995.
105 Total (add line 104, columns (B), (D), and (E)).....					672,929.

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 (A)	CHILD CARE FEES CHARGED TO PARTIALLY FUND DIRECT AND INDIRECT COSTS OF CHILD DIAGNOSTIC AND CHILD CARE SERVICES.
93 (B)	FEES CHARGED TO THE TN EARLY INTERVENTION SYSTEM TO PARTIALLY FUND DIRECT AND INDIRECT COSTS OF CHILD DIAGNOSTIC AND CHILD CARE SERVICES.

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

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See the instructions.)a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?..... ☐ Yes ☒ Nob Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?..... ☐ Yes ☒ No

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



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

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

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

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

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

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

Please Sign Here

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

Signature of officer

Date

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature



Date

11-24-06

Check if self-employed

☒

Preparer's SSN or PTIN (See General Instruction X)

N/A

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

 FRASIER, DEAN & HOWARD, PLLC  
 3310 WEST END AVENUE, STE. 550  
 NASHVILLE, TN 37203

EIN

N/A

Phone no. (615) 383-6592

BAA

Form 990 (2007)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under  
Section 501(c)(3)**

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

Supplementary Information — (See separate instructions.)

OMB No. 1545-0047

**2007**

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

Name of the organization

FIRST STEPS, INC.

Employer identification number

62-0674974

**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
NONE				
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
NONE		
Total number of other contractors receiving over \$50,000 for other services	0	

**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. . . . ▶ \$ <u>N/A</u> (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
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a	X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
d Enter the total number of donor advised funds owned at the end of the tax year		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year		0.

**Part IV Reason for Non-Private Foundation Status** (See instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

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

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total .....					0.

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

BAA

Schedule A (Form 990 or 990-EZ) 2007

**Part IV A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) .....	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	914,578.	1,139,265.	1,182,043.	1,228,512.	4,464,398.
<b>16</b> Membership fees received .....					0.
<b>17</b> 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.....	388,830.	346,090.	221,061.	202,815.	1,158,796.
<b>18</b> Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975...	7,738.	4,397.	4,612.	1,119.	17,866.
<b>19</b> Net income from unrelated business activities not included in line 18 .....					0.
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf .....					0.
<b>21</b> 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.
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE. STMT. 14			16.	2,847.	2,863.
<b>23</b> Total of lines 15 through 22....	1,311,146.	1,489,752.	1,407,732.	1,435,293.	5,643,923.
<b>24</b> Line 23 minus line 17 .....	922,316.	1,143,662.	1,186,671.	1,232,478.	4,485,127.
<b>25</b> Enter 1% of line 23.....	13,111.	14,898.	14,077.	14,353.	
<b>26 Organizations described on lines 10 or 11:</b>	<b>a</b> Enter 2% of amount in column (e), line 24 ..... <b>26a</b> 89,703. <b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts..... <b>26b</b> 19,735. <b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e)..... <b>26c</b> 4,485,127. <b>d</b> Add: Amounts from column (e) for lines: 18 17,866. 19 19,735. 22 2,863. 26b 19,735. <b>26d</b> 40,464. <b>e</b> Public support (line 26c minus line 26d total)..... <b>26e</b> 4,444,663. <b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))..... <b>26f</b> 99.10 %				
<b>27 Organizations described on line 12:</b> N/A	<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____ <b>b</b> For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____ <b>c</b> Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ <b>27c</b> _____ <b>d</b> Add: Line 27a total ..... and line 27b total ..... <b>27d</b> _____ <b>e</b> Public support (line 27c total minus line 27d total)..... <b>27e</b> _____ <b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e).... <b>27f</b> _____ <b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))..... <b>27g</b> % <b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))..... <b>27h</b> %				
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

**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

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

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

N/A

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

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

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	37	
38	Total lobbying expenditures (add lines 36 and 37) .....	38	
39	Other exempt purpose expenditures .....	39	
40	Total exempt purpose expenditures (add lines 38 and 39) .....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	<b>If the amount on line 40 is —</b>		
	Not over \$500,000 .....		
	Over \$500,000 but not over \$1,000,000 .....		
	Over \$1,000,000 but not over \$1,500,000 .....		
	Over \$1,500,000 but not over \$17,000,000 .....		
	Over \$17,000,000 .....		
	<b>The lobbying nontaxable amount is —</b>		
	20% of the amount on line 40 .....		
	\$100,000 plus 15% of the excess over \$500,000 .....		
	\$175,000 plus 10% of the excess over \$1,000,000 .....		
	\$225,000 plus 5% of the excess over \$1,500,000 .....		
	\$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) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45	Lobbying nontaxable amount .....				
46	Lobbying ceiling amount (150% of line 45(e)) .....				
47	Total lobbying expenditures .....				
48	Grassroots non-taxable amount .....				
49	Grassroots ceiling amount (150% of line 48(e)) .....				
50	Grassroots lobbying expenditures .....				

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

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

N/A

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

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

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

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Schedule A (Form 990 or 990-EZ) 2007





FIRST STEPS, INC.

62-0674974

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

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 396,262.  
 COST OR OTHER BASIS: 358,910.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 37,352.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 37,352.

**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>
VINO ON THE VERANDA	28,947.	0.	28,947.	11,123.	17,824.
TENNESSEE CHAMPIONS	23,260.	0.	23,260.	8,866.	14,394.
THREE BROADS	1,655.	0.	1,655.	0.	1,655.
ON LINE AUCTION	1,421.	0.	1,421.	0.	1,421.
TOTAL	\$ 55,283.	\$ 0.	\$ 55,283.	\$ 19,989.	\$ 35,294.

**STATEMENT 3**  
**FORM 990, PART I, LINE 20**  
**OTHER CHANGES IN NET ASSETS OR FUND BALANCES**

CONTRIBUTION OF NET ASSETS DUE TO MERGER (SEE ATTACHMENT) ..... \$ 1,660,909.  
 UNREALIZED LOSS ON INVESTMENTS ..... -79,875.  
 TOTAL \$ 1,581,034.

**STATEMENT 4**  
**FORM 990, PART II, LINE 43**  
**OTHER EXPENSES**

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT &amp; GENERAL</u>	(D) <u>FUNDRAISING</u>
ADVERTISING	2,353.	990.	1,363.	
BAD DEBTS	1,778.	1,778.		
CONTRACT LABOR	16,264.	9,884.	6,380.	
DUES	1,691.	629.	1,062.	
FOOD	24,378.	24,378.		
INSURANCE	33,356.	30,427.	2,929.	
LICENSES	1,550.	1,160.	390.	
MISCELLANEOUS	9,446.	2,037.	7,409.	
PROFESSIONAL SERVICES	70,922.	55,022.	15,900.	
UTILITIES	52,940.	31,555.	21,385.	
TOTAL	\$ 214,678.	\$ 157,860.	\$ 56,818.	\$ 0.

FIRST STEPS, INC.

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

EDUCATION AND TRAINING FOR DEVELOPMENTALLY DISABLED CHILDREN

STATEMENT 6  
FORM 990, PART III, LINE A  
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
<p>FISCAL YEAR 2007-2008 WAS ONE OF GROWTH FOR FIRST STEPS, INC. OUR PROGRAMS WERE ABLE TO INCREASE SERVICES BY 40% OVER THE PREVIOUS YEAR. THIS INCREASE WAS ACCOMPLISHED THROUGH THE EXPANSION OF OUR OUTREACH PROGRAM AND THE ADDITION OF THE AYUDANDO NINOS PROGRAM. THESE PROGRAMS BRING SERVICES TO CHILDREN WITH SPECIAL NEEDS AND MEDICAL CONDITIONS IN THEIR ENVIRONMENT, WHETHER THAT BE THE HOME, THEIR COMMUNITY CHILDCARE CENTER OR THEIR HOSPITAL ROOM. IN ADDITION, OUR AYUDANDO NINOS PROGRAM PROVIDES THESE SERVICES TO THE HISPANIC POPULATION, OFFERING SERVICES IN THE FAMILY'S NATIVE LANGUAGE AND PROVIDING INTERPRETATION ASSISTANCE WHEN NEEDED. WE ARE PLEASED TO BE ABLE TO PROVIDE SUPPORT TO THIS TYPICALLY UNDERSERVED POPULATION.</p> <p>IN ADDITION OUR CHILD DEVELOPMENT CENTER CONTINUES ITS HIGH-QUALITY SERVICE TO CHILDREN WITH DISABILITIES, PROVIDING AN INCLUSIVE ENVIRONMENT WHERE THEY ARE SERVED ALONGSIDE THEIR TYPICALLY DEVELOPING PEERS. FOR THE SIXTH STRAIGHT YEAR, OUR CENTER RECEIVED A 3-STAR RATING, THE HIGHEST, FROM THE DEPARTMENT OF HUMAN SERVICES. WE ARE PLEASED THAT 100% OF THE FOUR YEAR OLDS PARTICIPATING IN OUR EARLY READING FIRST LITERACY INITIATIVE PROGRAM SCORED ABOVE THE TESTING BENCHMARK IN LITERACY SKILLS.</p> <p>CHILDREN ENROLLED IN OUR PROGRAMS MAKE MEASURABLE PROGRESS TOWARD THEIR INDIVIDUAL GOALS IN THE DEVELOPMENTAL AREAS OF PHYSICAL, COGNITIVE, SELF-HELP, SOCIAL, AND COMMUNICATION SKILLS.</p>		
INCLUDES FOREIGN GRANTS: NO		1,596,177.
	\$ 0.	\$ 1,596,177.

STATEMENT 7  
FORM 990, PART IV, LINE 54A  
INVESTMENTS - PUBLICLY TRADED SECURITIES

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT
MUTUAL FUNDS	MARKET VALUE	\$ 665,344.
PREFERRED STOCK	COST	8,000.
	TOTAL	\$ 673,344.

FIRST STEPS, INC.

62-0674974

STATEMENT 7 (CONTINUED)  
FORM 990, PART IV, LINE 54A  
INVESTMENTS - PUBLICLY TRADED SECURITIES

STATE AND MUNICIPAL OBLIGATIONS	VALUATION METHOD	AMOUNT
MUNICIPAL BONDS	MARKET VALUE	\$ 75,000.
	TOTAL	\$ 75,000.
PUBLICLY TRADED SECURITIES		<u>\$ 748,344.</u>

STATEMENT 8  
FORM 990, PART IV, LINE 57  
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 197,689.	\$ 136,705.	\$ 60,984.
IMPROVEMENTS	1,755,571.	1,095,427.	660,144.
LAND	286,531.		286,531.
TOTAL	<u>\$ 2,239,791.</u>	<u>\$ 1,232,132.</u>	<u>\$ 1,007,659.</u>

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

MORTGAGES PAYABLE	BALANCE DUE
	\$ 269,785.
TOTAL	<u>\$ 269,785.</u>

STATEMENT 10  
FORM 990, PART IV-A, LINE B(4)  
OTHER AMOUNTS

SPECIAL EVENT EXPENSE-NET WITH REVENUES	\$ 19,989.
TOTAL	<u>\$ 19,989.</u>

FIRST STEPS, INC.

62-0674974

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

SPECIAL EVENT EXPENSE-NET WITH REVENUES..... \$ 19,989.  
TOTAL \$ 19,989.

STATEMENT 12  
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
DANIELLE GILBERT NASHVILLE, TN	BOARD MEMBER 2.00	\$ 0.	\$ 0.	\$ 0.
JON SUNDOKK BRENTWOOD, TN	FOUNDATION REPR 2.00	0.	0.	0.
DEBBIE DAY FRANKLIN, TN	BRD DVLPMNT CH 2.00	0.	0.	0.
ROBIN BASKIN NASHVILLE, TN	SECRETARY 2.00	0.	0.	0.
WILL MORROW NASHVILLE, TN	PRESIDENT-ELECT 2.00	0.	0.	0.
LARA BENEZRA NASHVILLE, TN	MKT & DVLPR CHR 2.00	0.	0.	0.
PAUL ALLAN GONTAREK NASHVILLE, TN	HUMAN RIGHTS 2.00	0.	0.	0.
ERIC R. BERGESEN NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
ROBERT H. LAIRD, JR. NASHVILLE, TN	PRESIDENT 2.00	0.	0.	0.
KELLI HAZEN NASHVILLE, TN	ASSOC EXE DIR 37.50	60,000.	6,021.	0.

FIRST STEPS, INC.

62-0674974

STATEMENT 12 (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
MARLA FISK KINGSTON SPRINGS, TN	BOARD MEMBER 2.00	\$ 0.	\$ 0.	0.
KRISTY N. FRAZIER NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
BETSY MCINNES NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
RON ROSSMANN NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
JONATHAN HARRIS NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
CLARE SULLIVAN NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
MIKE UMPHRES BRENTWOOD, TN	BOARD MEMBER 2.00	0.	0.	0.
HEATHER VINCENT FRANKLIN, TN	BOARD MEMBER 2.00	0.	0.	0.
ANNE BRANDNER LEBANON, TN	BOARD MEMBER 2.00	0.	0.	0.
DIANA PARKER BRENTWOOD, TN	DIRECTOR OF FIN 37.50	70,000.	1,438.	0.
TRISHA TORRADO NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
CHRISTINE GEBHARDT, PH.D. NASHVILLE, TN	PROGRAMS CHAIR 2.00	0.	0.	0.

FIRST STEPS, INC.

62-0674974

STATEMENT 12 (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
BEVERLY GRANT NASHVILLE, TN	MKT & DVLMT DIR 37.50	\$ 50,000.	\$ 5,822.	\$ 0.
HEATHER HIGGINS NASHVILLE, TN	EXECUTIVE DIREC 37.50	80,000.	1,638.	0.
DARLENE HARRIS MURFREESBORO, TN	HUMAN RESOURCE 2.00	0.	0.	0.
MONICA MACKIE FRANKLIN, TN	TREAS/FIN CHR 2.00	0.	0.	0.
ROBIN MCWILLIAM, PH.D. NASHVILLE, TN	BOARD MEMBER 2.00	0.	0.	0.
	TOTAL	\$ 260,000.	\$ 14,919.	\$ 0.

STATEMENT 13  
FORM 990, PART VI, LINE 76  
ACTIVITIES NOT PREVIOUSLY REPORTED TO THE IRS

AS OF JULY 1, 2007 A MERGER TOOK PLACE BETWEEN OUTLOOK NASHVILLE AND FIRST STEPS, INC. THEY BECAME ONE ENTITY, KEEPING THE FIRST STEPS NAME. THE ORGANIZATION HAS BECOME THE LARGEST PROVIDER OF CARE FOR CHILDREN WITH SPECIAL NEEDS IN MIDDLE TENNESSEE.

FIRST STEPS CONTINUED TO OPERATE TWO CAMPUSES: OUTLOOK NASHVILLE CAMPUS ON TUGGLE AVENUE AND THE DUNCANWOOD CAMPUS ON GRANNY WHITE PIKE. FIRST STEPS' COMBINED COMMUNITY OUTREACH PROGRAMS CONTINUED TO SERVE CHILDREN WITH SPECIAL NEEDS IN THEIR NATURAL ENVIRONMENTS. IN ADDITION, TEACHERS FROM THIS PROGRAM EXTEND FIRST STEPS' SERVICES INTO THE HISPANIC COMMUNITY THROUGH THE PROGRAM KNOWN AS AYUDANDO NINO.

BEGINNING IN DECEMBER 2007, ONE OF THE CAMPUS PROGRAMS WAS CLOSED, AND THE OUTREACH PROGRAM WAS EXPANDED SERVING MORE CHILDREN WITH SPECIAL NEEDS IN THEIR NATURAL ENVIRONMENT.

2007

## FEDERAL STATEMENTS

PAGE 7

FIRST STEPS, INC.

62-0674974

STATEMENT 14  
SCHEDULE A, PART IV-A, LINE 22  
OTHER INCOME

DESCRIPTION	(A) 2006	(B) 2005	(C) 2004	(D) 2003	(E) TOTAL
OTHER INCOME	\$ 0.	\$ 0.	\$ 16.	\$ 2,847.	\$ 2,863.
TOTAL	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 16.</u>	<u>\$ 2,847.</u>	<u>\$ 2,863.</u>

FIRST STEPS, INC.

62-0674974

FORM 990, PART II, LINE 42  
DEPRECIATION EXPENSE

PROPERTY AND EQUIPMENT ARE RECORDED AT COST OR, IF DONATED, AT THE ESTIMATED FAIR MARKET VALUE AS OF THE DATE OF DONATION. DEPRECIATION IS PROVIDED USING THE STRAIGHT-LINE BASIS OVER THE ESTIMATED USEFUL LIVES OF THE RESPECTIVE ASSETS, WHICH RANGE FROM TEN YEARS FOR BUILDING IMPROVEMENTS AND FURNITURE AND EQUIPMENT TO FIVE YEARS FOR VEHICLES. EXPENDITURES FOR REPAIRS AND MAINTENANCE ARE CHARGED TO EXPENSE AS INCURRED.

## MERGER INFORMATION

FIRST STEPS, INC. WAS PARTY TO A REORGANIZATION THAT OCCURRED DURING 2007. THE FOLLOWING IS PROVIDED:

1. ON JULY 1, 2007, FIRST STEPS, INC. (EIN - 62-0674974), AN ORGANIZATION EXEMPT AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE MERGED WITH OUTLOOK NASHVILLE (EIN - 62-0717466), AN ORGANIZATION ALSO DESCRIBED IN SECTION 501(C)(3). FIRST STEPS, INC. WAS THE SURVIVING CORPORATION UNDER TENNESSEE STATE LAW.

2. THE PURPOSE OF THE MERGER IS TO BETTER SERVE THE NEEDS OF BOTH ORGANIZATIONS. THE MERGER WILL NOT ALTER THE EXEMPT PURPOSES OF FIRST STEPS, INC. THE ASSETS TRANSFERRED BY OUTLOOK NASHVILLE, INC. WILL BE PUT TO THE SAME CHARITABLE USE AS BEFORE THE TRANSFER.

3. THE MERGER DOCUMENT IS ATTACHED.

4. THE FOLLOWING IS A LIST OF ASSETS AND LIABILITIES THAT HAVE BEEN TRANSFERRED TO FIRST STEPS INC.:

CHARACTER	AMOUNT
-----	-----
CASH	\$ 82,664
SAVINGS & TEMP. CASH INVESTMENTS	109,634
ACCOUNTS RECEIVABLE	6,063
GRANTS RECEIVABLE	61,967
PREPAID EXPENSES AND DEFERRED CHARGES	1,674
MUTUAL FUNDS	707,162
PREFERRED STOCK	8,000
LAND, BUILDINGS, AND EQUIPMENT: BASIS	2,055,424
LESS: ACCUMULATED DEPRECIATION	(1,051,828)
DEPOSITS	3,722
ACCOUNTS PAYABLE AND ACCRUED EXP.	(53,788)
MORTGAGE PAYABLE	(269,785)
	-----
TOTAL	\$ 1,660,909
	=====



11/21/2008

2007 Activity Report

Page 1

04:24 PM

Client 12308 - FIRST STEPS, INC.

EIN: 62-0674974

Return ID (Ext.): 625371-2008318-0800013

Federal (Ext.): Even Return.....\$0

Activity

---

Extension 62-0674974

---

US - ACCEPTED 11/13 (Current Status)

Previous Activity

- 11/13 Sent to the IRS
- 11/13 Received at Lacerte
- 11/13 Sent to Lacerte
- 11/13 Ready To Send
- 11/13 Passed Validation

Secretary of State  
Division of Business Services  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243

DATE: 06/28/07  
REQUEST NUMBER: 6082-0631  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 06/28/07 1436  
EFFECTIVE DATE/TIME: 06/28/07  
CONTROL NUMBER: 0064349

TO:  
FIRST STEPS, INC  
4414 GRANNY WHITE PK  
NASHVILLE, TN 37204

RE:  
FIRST STEPS, INC.  
AMENDED AND RESTATED CHARTER

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED DOCUMENT WITH AN  
EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR  
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE  
OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS  
PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: AMENDED AND RESTATED CHARTER

ON DATE: 06/28/07

FROM:  
WALLER LANSDEN DORTCH & DAVIS (511 UNION  
511 UNION ST/#2700  
PO BOX 198966  
NASHVILLE, TN 37219-8966

RECEIVED: FEES  
\$20.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00004230040  
ACCOUNT NUMBER: 00000832



SS-4458

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

AMENDED AND RESTATED CHARTER

OF

FIRST STEPS, INC.

RECEIVED  
STATE OF TENNESSEE

2007 JUN 28 PM 2:36

RILEY DARNELL  
SECRETARY OF STATE

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-60-106 of the Tennessee Business Corporation Act (the "Act"), the undersigned corporation hereby amends and restates its Charter to supersede the Charter and any and all prior amendments thereto as follows:

- I. The name of the corporation is First Steps, Inc..
- II. The text of the Amended and Restated Charter is as follows:
  1. The name of the Corporation is "First Steps, Inc."
  2. The duration of the Corporation is perpetual.
  3. The incorporator of the Corporation is the President, Robert Martineau.
  4. The street address of the incorporator of the Corporation is 511 Union Street, Suite 2700, Nashville, Tennessee, 37219.
  5. The street address of the principal office of the Corporation in the State of Tennessee is 4414 Granny White Pike, Nashville, Tennessee, 37204.
  6. The street address of the registered office, the zip code of such office and the county in which the office is located is 1720 West End Ave., Suite 300, Nashville, Davidson County, Tennessee 37219. The name of the registered agent at that office is Robert Laird.
  7. The Corporation is not for profit.
  8. The Corporation is a public benefit corporation.
  9. The Corporation is organized exclusively for the following religious, charitable, scientific, literary and/or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corresponding section of any future federal tax code (the "Code"):
    - (a) to educate and care for children;
    - (b) to contract with other organizations, for profit or nonprofit, with individuals and with governmental agencies in furtherance of such purposes; and,
    - (c) to engage in such other activities, exercise such other powers and privileges, take such other actions and carry out such other purposes as may be authorized by the Charter of this Corporation and that are permitted to be carried on by an entity either (i) exempt from Federal income taxation under Section 501(c)(3) of the Code, or (ii) to which contributions are deductible under Section 170(c)(2) of the Code.

9. Notwithstanding any other provisions of this Charter to the contrary, the following restrictions shall apply to the purposes, operations and activities of the Corporation:

- (a) the purposes of the Corporation shall in all events be religious, charitable, scientific, literary or educational within the meaning of Section 501(c)(3) of the Code, and shall be consistent with the requirements of Section 501(c)(3) and recognition of non-private foundation status under Section 509(a) of the Code and all applicable Treasury Regulations issued thereunder;
- (b) no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, employees or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein;
- (c) no part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, nor intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Code; and,
- (d) notwithstanding any other provision of this Charter, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

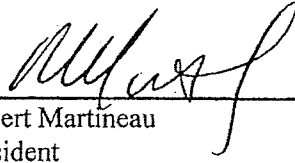
10. The Corporation shall have no members.

11. Upon the dissolution of the Corporation, after paying or making provision for the payment of all of the liabilities and obligations of the Corporation, the assets of the Corporation shall be distributed pursuant to a plan of distribution adopted by the Board of Directors, to such organization(s) organized and operated exclusively for religious, charitable, educational and scientific purposes as shall at the time qualify as an organization(s) exempt from federal income taxation under Section 501(c)(3) of the Code, or to the federal government, or a state or local government for a public purpose, as determined by the Board of Directors. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine that are organized and operated exclusively for such purposes, provided that such organization(s) are exempt from federal income taxation under Section 501(c)(3) of the Code.

12. Subject to paragraphs 7 and 8, full control and management over the activities and affairs of the Corporation shall be vested in the Board of Directors. The number and terms of directors of the Corporation shall be such number as from time to time shall be fixed by, or in the manner provided in, the Bylaws of the Corporation.

13. A director of the Corporation shall not be personally liable to the Corporation for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation, (ii) for acts or omissions not in good faith, or that involve intentional misconduct or knowing violation of law, or (iii) for unlawful distributions under T.C.A. § 48-58-304. If the Tennessee Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of directors of the Corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Nonprofit Corporation Act, as so amended.

Dated this 26th day of June 2007



---

Robert Martineau  
President  
Board of Directors

6082.0633

Secretary of State  
Division of Business Services  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243

DATE: 06/28/07  
REQUEST NUMBER: 6082-0399  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 06/28/07 1305  
EFFECTIVE DATE/TIME: 07/01/07 1201  
CONTROL NUMBER: 0064349

TO:  
FIRST STEPS, INC.  
4414 GRANNY WHITE PK  
NASHVILLE, TN 37204

RE:  
FIRST STEPS, INC.  
ARTICLES OF MERGER

THIS WILL ACKNOWLEDGE THE FILING OF THE ATTACHED ARTICLES OF MERGER  
WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR  
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE  
OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS  
PRINCIPAL OFFICE IF SUCH OFFICE IS IN TENNESSEE AND IN THE COUNTY IN WHICH  
THE NEW OR SURVIVING CORPORATION SHALL HAVE ITS PRINCIPAL OFFICE IF SUCH  
OFFICE IS IN TENNESSEE.

FOR: ARTICLES OF MERGER

ON DATE: 06/28/07

FROM:  
WALLER LANSDEN DORTCH & DAVIS (511 UNION  
511 UNION ST/#2700  
PO BOX 198966  
NASHVILLE, TN 37219-8966

RECEIVED: FEES \$100.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$100.00

RECEIPT NUMBER: 00004230038  
ACCOUNT NUMBER: 00000832



SS-4458

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

ARTICLES OF MERGER  
MERGING

OUTLOOK NASHVILLE, INC.  
(a Tennessee nonprofit corporation)

INTO

FIRST STEPS, INC.  
(a Tennessee nonprofit corporation)

RECEIVED  
STATE OF TENNESSEE  
2007 JUN 28 PM 1:05  
RILEY DARNELL  
SECRETARY OF STATE

0002.0399

Pursuant to Section 48-61-104 of the Tennessee Nonprofit Corporation Act ("TNCA"), First Steps, Inc., a Tennessee nonprofit corporation ("First Steps"), and Outlook Nashville, Inc., a Tennessee nonprofit corporation ("Outlook"), hereby adopt the following Articles of Merger:

1. The Plan of Merger is attached hereto as Exhibit A and incorporated herein by reference.
2. As to First Steps, approval of the members was not required and the Plan of Merger was duly approved by a majority of the directors in office in accordance with TNCA §48-61-103.
3. As to Outlook, approval of the members was not required and the Plan of Merger was duly approved by a majority of the directors in office in accordance with TNCA §48-61-103.
4. The Plan of Merger shall be effective at 12:01 a.m. on July 1, 2007.
5. On the date of filing of these Articles of Merger, Outlook shall cease to exist as a separate corporation.

*[Signature page follows]*

IN WITNESS WHEREOF, each of the undersigned corporations has duly caused these Articles of Merger to be executed by their respective duly authorized officers as of this 28<sup>th</sup> day of JUNE, 2007.

**OUTLOOK NASHVILLE, INC.**

By: Paul Gontarek  
Name: Paul Gontarek  
Title: Board President

**FIRST STEPS, INC.**

By: Robert J. Martineau, Jr.  
Name: Robert J. Martineau, Jr.  
Title: Board President

6082.0400



## PLAN OF MERGER

THIS PLAN OF MERGER, dated as of June 28, 2007 (this "Agreement"), is by and between First Steps, Inc., a Tennessee nonprofit corporation (the "First Steps"), and Outlook Nashville, Inc., a Tennessee nonprofit corporation ("Outlook").

### RECITALS:

WHEREAS, the Boards of Directors of First Steps and Outlook have each determined that it is in the best interests of their respective companies to consummate the business combination transactions provided for herein in which Outlook will merge with and into First Steps, subject to the terms and conditions set forth herein (collectively, the "Merger").

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

### ARTICLE 1 THE MERGER

1.1. The Merger. Subject to the terms and conditions of this Agreement, in accordance with the Tennessee Nonprofit Corporation Act (the "TNCA"), at the Effective Time (as defined in Section 1.2 hereof), Outlook shall merge with and into First Steps. First Steps shall be the surviving corporation (the "Surviving Corporation") in the Merger, and shall continue its corporate existence under the laws of the State of Tennessee. Upon consummation of the Merger, the separate corporate existence of Outlook shall terminate. At and after the Effective Time, the Merger shall have the effects set forth in the applicable provisions of the TNCA.

1.2. Effective Time. The Merger shall become effective at 12:01 a.m. on July 1, 2007 (the "Effective Time").

### ARTICLE 2 EFFECTS OF THE MERGER

2.1. Charter. At the Effective Time, the Charter of the Surviving Corporation shall be amended and restated to be the Amended and Restated Charter of First Steps, Inc. attached hereto as Exhibit A (the "Surviving Corporation Charter").

2.2. Bylaws. At the Effective Time, the Bylaws of First Steps, as in effect immediately prior to the Effective Time, shall be the Bylaws of the Surviving Corporation until thereafter amended in accordance with applicable law and the Surviving Corporation Charter.

*[Signature page follows]*

IN WITNESS WHEREOF, each of the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

OUTLOOK NASHVILLE, INC.

By: Paul Ganturch  
Name: Paul Ganturch  
Title: Board President

BB82-0402

FIRST STEPS, INC.

By: Robert J. Martineau, Jr.  
Name: Robert J. Martineau, Jr.  
Title: Board President

EXHIBIT A  
AMENDED AND RESTATED CHARTER  
OF  
FIRST STEPS, INC.

[EXHIBIT ATTACHED]

6082.0403

STATE OF TENNESSEE

Office of the Attorney General



ROBERT E. COOPER, JR.  
ATTORNEY GENERAL AND REPORTER

ANDY D. BENNETT  
CHIEF DEPUTY ATTORNEY GENERAL

LUCY HONEY HAYNES  
ASSOCIATE CHIEF DEPUTY  
ATTORNEY GENERAL

MAILING ADDRESS

P.O. BOX 20207  
NASHVILLE, TN 37202

MICHAEL E. MOORE  
SOLICITOR GENERAL

CORDELL HULL BUILDING  
NASHVILLE, TN 37243-0485

TELEPHONE (615) 741-3491  
FACSIMILE (615) 741-2009

June 22, 2007

DELIVERED VIA U.S. MAIL

Outlook Nashville, Inc.  
Paul A. Gontarek  
Board President  
3004 Tuggle Avenue  
Nashville, TN 37211

**RE: Dissolution/Merger of Outlook Nashville, Inc. and First Steps, Inc.**

Dear Mr. Gontarek:

The Attorney General's Office has completed its review of the documents sent by you in compliance with our request for information regarding the above-mentioned transaction. Based on the requested information and on the documents we have received from the nonprofit as of this date we have determined that this Office will take no action, at this time, regarding this transaction.

**Upon completion of the transaction, in accordance with Tenn. Code Ann. § 48-64-103(c), please provide, through a sworn affidavit from the president of the board of directors, a statement stating the transaction is complete and the proceeds have been transferred to the designated nonprofit. Please be advised that if any additional matters develop, the Attorney General reserves the authority to act in the public interest pursuant to the authority vested in him under the Tennessee Nonprofit Corporation Act, Tenn. Code Ann. 45-51-101 et seq., and other laws.**

Sincerely

A handwritten signature in dark ink, appearing to read "Victor J. Domen, Jr.".

Victor J. Domen, Jr.  
Assistant Attorney General