

Return of Organization Exempt from Income Tax

2005

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 2005 calendar year, or tax year beginning 9/01, 2005, and ending 8/31, 2006

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.EASTER SEALS TENNESSEE, INC.
2001 WOODMONT BLVD.
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.TN.EASTER-SEALS.ORG

J Organization type

(check only one) ▶ ☒ 501(c) 3 (insert no.) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than
\$25,000. The organization need not file a return with the IRS; but if the organization
chooses to file a return, be sure to file a complete return. Some states require a
complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ... 11,245,828.

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

REVENUE

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a	1,093,417.	
b	Indirect public support	1b	49,083.	
c	Government contributions (grants)	1c	7,706,381.	
d	Total (add lines 1a through 1c) (cash \$ 8,518,881. noncash \$ 330,000.)	1d	8,848,881.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,842,398.	
3	Membership dues and assessments	3	135,965.	
4	Interest on savings and temporary cash investments	4		
5	Dividends and interest from securities	5	1,191.	
6a	Gross rents	6a	162,267.	
b	Less: rental expenses	6b	162,871.	
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	-604.	
7	Other investment income (describe ...)	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	10,978.
b	Less: cost or other basis and sales expenses		8b	142.
c	Gain or (loss) (attach schedule) ... STATEMENT 1		8c	10,836.
d	Net gain or (loss) (combine line 8c, columns (A) and (B))		8d	10,836.
9	Special events and activities (attach schedule). If any amount is from gaming, check here ... <input type="checkbox"/>			
a	Gross revenue (not including \$ 76,410. of contributions reported on line 1a)	9a	245,667.	
b	Less: direct expenses other than fundraising expenses	9b	74,175.	
c	Net income or (loss) from special events (subtract line 9b from line 9a) ... STATEMENT 2		9c	171,492.
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	-1,519.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	11,008,640.	

EXPENSES

13	Program services (from line 44, column (B))	13	10,327,195.
14	Management and general (from line 44, column (C))	14	876,161.
15	Fundraising (from line 44, column (D))	15	392,724.
16	Payments to affiliates (attach schedule) ... SEE STATEMENT 3	16	161,520.
17	Total expenses (add lines 16 and 44, column (A))	17	11,757,600.
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-748,960.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	-1,616,144.
20	Other changes in net assets or fund balances (attach explanation)	20	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	-2,365,104.

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0109L 02/03/06

Form 990 (2005)

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
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here... <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch) ST. 4	23	75,897.	75,897.		
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc.	25	207,884.	197,658.	1,829.	8,397.
26 Other salaries and wages	26	6,796,836.	6,459,685.	60,293.	276,858.
27 Pension plan contributions	27	75,240.	71,478.	673.	3,089.
28 Other employee benefits	28	701,685.	666,921.	6,217.	28,547.
29 Payroll taxes	29	566,068.	537,988.	5,021.	23,059.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	187,046.	180,850.	3,728.	2,468.
34 Telephone	34	88,601.	85,728.	1,082.	1,791.
35 Postage and shipping	35	17,889.	13,298.	862.	3,729.
36 Occupancy	36	106,394.	106,394.		
37 Equipment rental and maintenance	37	85,098.	79,451.		5,647.
38 Printing and publications	38	22,712.	17,973.	844.	3,895.
39 Travel	39	303,710.	299,179.	2,444.	2,087.
40 Conferences, conventions, and meetings	40	8,843.	8,449.	207.	187.
41 Interest	41	597,564.		597,564.	
42 Depreciation, depletion, etc (attach schedule)	42	440,537.	386,055.	40,971.	13,511.
43 Other expenses not covered above (itemize):					
a SEE STATEMENT 5	43a	1,314,076.	1,140,191.	154,426.	19,459.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	11,596,080.	10,327,195.	876,161.	392,724.

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 \$ _____

BAA

Form 990 (2005)

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.

PROVIDE SERVICE TO THE DISABLED

What is the organization's primary exempt purpose?
 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss exempt purpose 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 4947(a)(1) trusts; but optional for others.)

a SEE ATTACHED STATEMENT

(Grants and allocations \$) If this amount includes foreign grants, check here ☐ 10,327,195.

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) 10,327,195.

BAA

Form 990 (2005)

Balance Sheets (See 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	53,678.	45	204,529.
	46 Savings and temporary cash investments.....	28,878.	46	29,987.
	47a Accounts receivable.....	97,447.		
	b Less: allowance for doubtful accounts.....	1,591.	99,131.	47c 95,856.
	48a Pledges receivable.....	97,785.		
	b Less: allowance for doubtful accounts.....	48,451.	176,339.	48c 49,334.
	49 Grants receivable.....	777,994.	49	639,189.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)			
	b Less: allowance for doubtful accounts.....			51c
	52 Inventories for sale or use.....		52	
	53 Prepaid expenses and deferred charges.....	42,186.	53	34,853.
	54 Investments — securities (attach schedule)	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54	
	55a Investments — land, buildings, & equipment: basis			
	b Less: accumulated depreciation (attach schedule)			55c
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment: basis	11,691,278.			
b Less: accumulated depreciation (attach schedule)	STATEMENT 6 3,710,085.	8,055,805.	57c 7,981,193.	
58 Other assets (describe ► SEE STATEMENT 7)	338,602.	58	316,419.	
59 Total assets (must equal line 74). Add lines 45 through 58	9,572,613.	59	9,351,360.	
LIABILITIES	60 Accounts payable and accrued expenses.....	1,777,745.	60	1,818,232.
	61 Grants payable.....		61	
	62 Deferred revenue.....	510,377.	62	525,024.
	63 Loans from officers, directors, trustees, and key employees (attach schedule).....		63	
	64a Tax-exempt bond liabilities (attach schedule).....		64a	
	b Mortgages and other notes payable (attach schedule)	SEE STATEMENT 8 8,575,697.	64b	9,040,170.
	65 Other liabilities (describe ► SEE STATEMENT 9)	324,938.	65	333,038.
	66 Total liabilities. Add lines 60 through 65.....	11,188,757.	66	11,716,464.
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.....	-1,792,483.	67	-2,414,438.
	68 Temporarily restricted.....	176,339.	68	49,334.
	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; column (B) must equal line 21)	-1,616,144.	73	-2,365,104.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	9,572,613.	74	9,351,360.

BAA

Form 990 (2005)

a Total revenue, gains, and other support per audited financial statements.	a	11,171,511.
b Amounts included on line a but not on Part I, line 12:		
1 Net unrealized gains on investments.	b1	
2 Donated services and use of facilities.	b2	
3 Recoveries of prior year grants.	b3	
4 Other (specify):		
SEE STM 10	b4	162,871.
Add lines b1 through b4 .	b	162,871.
c Subtract line b from line a .	c	11,008,640.
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):		
Add lines d1 and d2 .	d	
e Total revenue (Part I, line 12). Add lines c and d .	e	11,008,640.

a	Total expenses and losses per audited financial statements	a	11,920,471.
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):	b4	162,871.
	SEE STMT 11		
	Add lines b1 through b4	b	162,871.
c	Subtract line b from line a	c	11,757,600.
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	11,757,600.

[illegible]

Yes	No
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Yes	No
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75 b		X
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75c		X
-----	--	---

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

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

75d	X	
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75d	X	
-----	---	--

75d	X	
-----	---	--

75d	X	
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Yes	No
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76		X
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77		X
----	--	---

21		22

78.	Y	
-----	---	--

78a	X	
78b	Y	

79		X
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80 a		X
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81 a	0
------	---

81b		X
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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?	82 a		X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82 b	N/A	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85 a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	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.			
c Dues, assessments, and similar amounts from members	85 c	N/A	
d Section 162(e) lobbying and political expenditures	85 d	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h	N/A	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A	
b Gross receipts, included on line 12, for public use of club facilities	86 b	N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b	N/A	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88		X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0			
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
90 a List the states with which a copy of this return is filed ▶ NONE			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90 b		228
91 a The books are in care of ▶ RICK MACLEAN Telephone number ▶ 615-292-6640			
Located at ▶ 2001 WOODMONT BOULEVARD, NASHVILLE TN ZIP + 4 ▶ 37215			
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91 b		X
If 'Yes,' enter the name of the foreign country ..			
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements			
c At any time during the calendar year, did the organization maintain an office outside of the United States?	91 c		X
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	▶ <input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year	92		N/A

BAA

Form 990 (2005)

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					41,976.
b CONTRACT SERVICES					477,960.
c PROGRAM SERVICE FEES					1,267,507.
d WORKSHOP REVENUE					54,955.
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					135,965.
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	1,191.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	531190	-16,469.	16	15,865.	
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	10,836.	
101 Net income or (loss) from special events			1	171,492.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b MISCELLANEOUS			1	-1,519.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		-16,469.		197,865.	1,978,363.
105 Total (add line 104, columns (B), (D), and (E))					2,159,759.

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

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.

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	%			
	%			
	%			
	%			

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).

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: <u>GINGI LANIUS</u> Type or print name and title: <u>GINGI LANIUS, PRESIDENT + CEO</u>	Date: <u>4-10-07</u>
Paid Preparer's Use Only	Preparer's signature: <u>[Signature]</u>	Date: <u>4-10-07</u>
	Firm's name (or yours if self-employed), address, and ZIP + 4: <u>FRASIER, DEAN & HOWARD, PLLC</u> <u>3310 WEST END AVENUE, STE. 550</u> <u>NASHVILLE, TN 37203</u>	Check if self-employed: <input type="checkbox"/> <input checked="" type="checkbox"/> No Preparer's SSN or PTIN (See General instruction W): <u>N/A</u> EIN: <u>N/A</u> Phone no.: <u>(615) 383-6592</u>

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

2005Department of the Treasury
Internal Revenue Service▶ **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**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	DIR PROGRAM OPS 40	63,000.	3,167.	0.
KRISTI KELLY NASHVILLE, TN	DIRECTOR HR 40	65,000.	3,115.	0.
MARY GARDNER NASHVILLE, TN	DIR PROGRAM OPS 40	72,800.	144.	0.
MARCI POIRIER NASHVILLE, TN	THERAPIST 40	60,000.	3,190.	0.
KAREN CONNORS-WOULFE JACKSON, TN	DIR PROGRAM OPS 40	64,600.	7,545.	0.
Total number of other employees paid over \$50,000 ▶	6			

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
LINDA GARCEAU-LUIS NASHVILLE, TN	FUNDRAISING	74,657.
DON IRELAND FRANKLIN, TN	FINANCIAL CONSULTING	64,129.
Total number of others receiving over \$50,000 for professional services ▶	0	

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	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2005

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

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 Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?

3c X

- 4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b X

Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ☐ Type 1 ☐ Type 2 ☐ Type 3

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

(a) Name(s) of supported organization(s)	(b) Line number from above

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

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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	8,103,809.	6,617,803.	5,805,608.	2,297,487.	22,824,707.
16 Membership fees received	164,311.	141,352.	134,453.	115,867.	555,983.
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	2,293,566.	2,140,729.	1,386,220.	4,186,237.	10,006,752.
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.	146,230.	215,729.	112,833.	220,977.	695,769.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE. STMT. 13	-9.	12,712.	25,577.	57,973.	96,253.
23 Total of lines 15 through 22	10,707,907.	9,128,325.	7,464,691.	6,878,541.	34,179,464.
24 Line 23 minus line 17	8,414,341.	6,987,596.	6,078,471.	2,692,304.	24,172,712.
25 Enter 1% of line 23	107,079.	91,283.	74,647.	68,785.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 483,454.
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 728,687.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 24,172,712.
d Add: Amounts from column (e) for lines: 18 695,769. 19					26d 1,520,709.
22 96,253. 26b 728,687.					26e 22,652,003.
e Public support (line 26c minus line 26d total)					26f 93.71 %
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: (2004) _____ (2003) _____ (2002) _____ (2001) _____					
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: (2004) _____ (2003) _____ (2002) _____ (2001) _____					
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 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Private School Questionnaire (See instructions.)

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

N/A

Yes No

29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?.....

29

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?.....

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?.....
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)

31

32 Does the organization maintain the following:

a Records indicating the racial composition of the student body, faculty, and administrative staff?.....

32 a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?.....

32 b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?.....

32 c

d Copies of all material used by the organization or on its behalf to solicit contributions?.....

32 d

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?.....

33 a

b Admissions policies?.....

33 b

c Employment of faculty or administrative staff?.....

33 c

d Scholarships or other financial assistance?.....

33 d

e Educational policies?.....

33 e

f Use of facilities?.....

33 f

g Athletic programs?.....

33 g

h Other extracurricular activities?.....

33 h

If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)

34 a Does the organization receive any financial aid or assistance from a governmental agency?.....

34 a

b Has the organization's right to such aid ever been revoked or suspended?.....

34 b

If you answered 'Yes' to either 34a or b, please explain using an attached statement.

35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.....

35

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 –			
	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) 2005	(b) 2004	(c) 2003	(d) 2002	(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					

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:

- 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.)

Yes	No	Amount

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

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?

	Yes	No
51 a (i)		X
a (ii)		X
b (i)		X
b (ii)		X
b (iii)		X
b (iv)		X
b (v)		X
b (vi)		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 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

[illegible]

EASTER SEALS TENNESSEE, INC.

62-0504893

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

OTHER ASSETS

DESCRIPTION:	1994 CHEVY VAN		
DATE ACQUIRED:	7/01/1994		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	8/31/2006		
TO WHOM SOLD:			
GROSS SALES PRICE:	6,050.		
COST OR OTHER BASIS:	21,239.		
DEPRECIATION:	21,239.		
		GAIN (LOSS)	6,050.

DESCRIPTION:	1999 DODGE RAM		
DATE ACQUIRED:	11/30/1998		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	8/31/2006		
TO WHOM SOLD:			
GROSS SALES PRICE:	4,928.		
COST OR OTHER BASIS:	21,389.		
EXPENSES OF SALE:	142.		
DEPRECIATION:	21,389.		
		GAIN (LOSS)	4,786.

TOTAL GAIN (LOSS) OTHER ASSETS \$ 10,836.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 10,836.

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

SPECIAL EVENTS	GROSS RECEIPTS	LESS CONTRI-BUTIONS	GROSS REVENUE	LESS DIRECT EXPENSES	NET INCOME (LOSS)
NASHVILLIAN	144,447.	45,000.	99,447.	37,945.	61,502.
OTHER	98,059.	23,730.	74,329.	17,196.	57,133.
CENTURY 21	48,117.	0.	48,117.	5,822.	42,295.
HERMITAGE GOLF- CDC	31,454.	7,680.	23,774.	13,212.	10,562.
TOTAL	\$ 322,077.	\$ 76,410.	\$ 245,667.	\$ 74,175.	\$ 171,492.

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

NAME AND ADDRESS	PURPOSE OF PAYMENT	AMOUNT
NATIONAL EASTER SEAL SOCIETY CHICAGO, IL	NATIONAL PROGRAM FEE	\$ 161,520.

EASTER SEALS TENNESSEE, INC.

62-0504893

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

NAME AND ADDRESS	PURPOSE OF PAYMENT	AMOUNT
		TOTAL \$ 161,520.

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

RESIDENTIAL GUARDIANSHIP	\$ 75,897.
TOTAL	\$ 75,897.

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	5,860.	5,860.		
BAD DEBT EXPENSE	160,095.	89,229.	70,866.	
BANK CHARGES	8,883.	8,576.	293.	14.
BROADCAST COSTS	232.	232.		
BUILDING & GROUNDS MAINTENANCE	138,277.	131,196.	3,145.	3,936.
CONTRACTED SERVICES	408,884.	386,025.	21,388.	1,471.
INSURANCE	321,088.	311,735.	1,796.	7,557.
LATE FEES & FINANCE CHARGES	12,502.	12,069.	413.	20.
LETTER OF CREDIT FEES	52,733.		52,733.	
LICENSES & FEES	9,799.	9,460.	324.	15.
MEMBERSHIP AND SUPPORT PAYMENTS	8,973.	6,376.	195.	2,402.
MISCELLANEOUS	1,151.	1,081.	67.	3.
PROFESSIONAL FEES	19,274.	18,204.	1,001.	69.
UTILITIES	166,325.	160,148.	2,205.	3,972.
TOTAL	\$ 1,314,076.	\$ 1,140,191.	\$ 154,426.	\$ 19,459.

STATEMENT 6
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 659,974.	\$ 571,411.	\$ 88,563.
MACHINERY AND EQUIPMENT	1,306,287.	1,083,271.	223,016.
BUILDINGS	7,862,460.	2,055,403.	5,807,057.
LAND	1,862,557.		1,862,557.
TOTAL	\$ 11,691,278.	\$ 3,710,085.	\$ 7,981,193.

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 7
FORM 990, PART IV, LINE 58
OTHER ASSETS

LOAN COSTS, NET.....	\$	157,869.
REHABILITATION FEES, NET.....		158,550.
TOTAL	\$	<u>316,419.</u>

STATEMENT 8
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	<u>1,071,494.</u>
TOTAL MORTGAGES	\$ 3,821,494.

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:	3.90%	
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:	12/28/2006	
REPAYMENT TERMS:	INTEREST ONLY	
INTEREST RATE:	7.50%	
SECURITY PROVIDED:	ALL ASSETS	
BALANCE DUE:		\$ 301,176.

EASTER SEALS TENNESSEE, INC.

62-0504893

STATEMENT 8 (CONTINUED)
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

OTHER NOTES PAYABLE

LENDER'S NAME:	EASTER SEALS, INC.	
DATE OF NOTE:	3/13/2004	
MATURITY DATE:	9/15/2005	
INTEREST RATE:	8.25%	
SECURITY PROVIDED:	LIEN, SEC INT, MORTG ON CAMP	
BALANCE DUE:		\$ 278,239.
TOTAL OTHER NOTES PAYABLE		\$ 5,218,676.
TOTAL		<u>\$ 9,040,170.</u>

STATEMENT 9
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

ACCRUED PENSION LIABILITY.....	\$ 333,038.
TOTAL	<u>\$ 333,038.</u>

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

RENTAL EXPENSES NETTED AGAINST INCOME.....	\$ 162,871.
TOTAL	<u>\$ 162,871.</u>

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

RENTAL EXPENSES NETTED AGAINST INCOME.....	\$ 162,871.
TOTAL	<u>\$ 162,871.</u>

EASTER SEALS TENNESSEE, INC.

62-0504893

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
ANNE C. BOATMAN NASHVILLE, TN	BOARD MEMBER 1	\$ 0.	\$ 0.	\$ 0.
ALEX BUCHANAN NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
MIKE CAMPBELL NASHVILLE, TN	TREASURER 1	0.	0.	0.
DAWN BOULANGER NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
BETHANY CORRIERI NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
WILLIAM F. ANDREWS FRANKLIN, TN	VICE CHAIRMAN 1	0.	0.	0.
SAMUEL H. HOWARD BRENTWOOD, TN	BOARD MEMBER 1	0.	0.	0.
TOM HARTSHORN BRENTWOOD, TN	BOARD MEMBER 1	0.	0.	0.
ASHLEY COTTRELL NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
PAGE HART NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
LARRY KING NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
BEVERLY JONES LAFAYETTE, TN	BOARD MEMBER 1	0.	0.	0.

EASTER SEALS TENNESSEE, INC.

62-0504893

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
MARGARET KELLEY NASHVILLE, TN	BOARD MEMBER 1	\$ 0.	\$ 0.	\$ 0.
BUDDY KILLEN NASHVILLE, TN	CHAIRMAN 1	0.	0.	0.
MICHELLE MCWHORTER NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
ANNE NESBITT NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
GINGI LANIUS NASHVILLE, TN	CEO 40	115,577.	6,506.	0.
RICHARD D. MACLEAN NASHVILLE, TN	CFO 40	92,307.	4,545.	0.
MICHAEL YOPP NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
	TOTAL	\$ 207,884.	\$ 11,051.	\$ 0.

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

DESCRIPTION	(A) 2004	(B) 2003	(C) 2002	(D) 2001	(E) TOTAL
MISCELLANEOUS	\$ -9.	\$ 12,712.	\$ 25,577.	\$ 57,973.	\$ 96,253.
TOTAL	\$ -9.	\$ 12,712.	\$ 25,577.	\$ 57,973.	\$ 96,253.

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	\$ 56,356
MACHINERY & EQUIPMENT	116,112
BUILDINGS	274,542
AMORTIZATION	12,000

TOTAL	\$ 459,010
LESS AMOUNT ALLOCATED TO RENTAL	(18,473)

TOTAL REPORTED ON LINE 42	\$ 440,537
	=====

Easter Seals Tennessee, Inc.
2005 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)

The McWhorter Family Children's Center includes childcare and rehabilitation facilities and serves children at all levels of development from newborn to age 17. (Nashville)

Medical Rehabilitation Services provides physical therapy, occupational therapy and speech and language pathology for people with special needs. (Nashville)

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)



Department of the Treasury
Internal Revenue Service
OGDEN, UT 84201-0074

for assistance, call:
1-877-829-5500

Notice Number: CP211A
Date: March 5, 2007

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Taxpayer Identification Number:
62-0504893
Tax Form: 990
Tax Period: August 31, 2006



EASTER SEALS TENNESSEE INC
2001 WOODMONT BLVD
NASHVILLE TN 37215-1531011

41179

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 April 15, 2007.

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.

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

For calendar year 2005 or other tax year beginning 9/01, 2005,
and ending 8/31, 2006

2005

Department of the Treasury
Internal Revenue Service

See separate instructions.

A <input type="checkbox"/> Check box if address changed B Exempt under Section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)		Print or Type EASTER SEALS TENNESSEE, INC. 2001 WOODMONT BLVD. NASHVILLE, TN 37215	D Employer identification number (Employees' trust, see instructions for Block D.) 62-0504893 E New unrelated business activity codes (See instructions for Block E.)
C Book value of all assets at end of year 9,351,360		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-subsidiary controlled group? ☐ Yes ☒ No
 If 'Yes,' enter the name and identifying number of the parent corporation:

J The books are in care of: RICK MACLEAN Telephone number: 615-292-6640

Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales	1 c			
b Less returns and allowances	2			
2 Cost of goods sold (Schedule A, line 7)	3			
3 Gross profit. Subtract line 2 from line 1c	4a			
4a Capital gain net income (attach Schedule D)	4b			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4c			
c Capital loss deduction for trusts	5			
5 Income (loss) from partnerships and S corporations (attach statement)	6	146,402.	162,871.	-16,469.
6 Rent income (Schedule C)	7			
7 Unrelated debt-financed income (Schedule E)	8			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	9			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)	10			
10 Exploited exempt activity income (Schedule I)	11			
11 Advertising income (Schedule J)	12			
12 Other income (see instructions - attach schedule)	13	146,402.	162,871.	-16,469.
13 Total. Combine lines 3 through 12				

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	22a	22b
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	-16,469.
31 Net operating loss deduction (limited to the amount on line 30). SEE STATEMENT 1	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	-16,469.
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	-16,469.

Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) – check here <input type="checkbox"/> . 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: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> 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: <input type="checkbox"/> Form 3800 <input type="checkbox"/> 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: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	0.
44a Payments: A 2004 overpayment credited to 2005	44a	
b 2005 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 Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total ... ▶	44f	
45 Total payments. Add lines 44a through 44f	45	0.
46 Estimated tax penalty (See instructions). Check <input type="checkbox"/> 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 2006 estimated tax ▶ Refunded ▶	49	

Statements Regarding Certain Activities and Other Information (See instructions.)

1 At any time during the 2005 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)?	Yes	No
If 'Yes,' the organization may have to file Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country here ▶		X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?		X
If 'Yes,' see the instructions for other forms the organization may have to file.		
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0.		

Schedule A – Cost of Goods Sold – Enter method of inventory valuation ▶

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

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 taxpayer) is based on all information of which preparer has any knowledge.		
Signature of officer <i>[Signature]</i>	Date <i>4-10-07</i>	Title <i>CEO</i>
		May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Paid Preparer's Use Only

Preparer's signature <i>[Signature]</i>	Date <i>4-10-07</i>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <i>P00167048</i>
Firm's name (or yours if self-employed), address, and ZIP code	EIN <i>62-1073578</i>		
<i>FRASIER, DEAN & HOWARD, PLLC</i> <i>3310 WEST END AVENUE, STE. 550</i> <i>NASHVILLE, TN 37203</i>	Phone no. <i>(615) 383-6592</i>		

BAA

Form 990-T (2005)

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		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) SEE STATEMENT 2
(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)	
(1)	146,402.	162,871.
(2)		
(3)		
(4)		
Total	Total 146,402.	Total deductions. Enter here and on page 1, Part I, line 6, column (B)... 162,871.

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)..... ▶

146,402.

Total deductions. Enter here and on page 1, Part I, line 6, column (B)...

162,871.

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
(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)					
Totals ▶			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).	

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)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

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)						
Totals	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.

Schedule J – Advertising Income (See instructions.)**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))						

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			

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.
NET OPERATING LOSS AVAILABLE			\$ 87,739.
TAXABLE INCOME			\$ -16,469.
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	\$ 357.
AUTO AND TRAVEL	1,092.
CLEANING AND MAINTENANCE	3,061.
INSURANCE	28,830.
LEGAL AND PROFESSIONAL FEES	2,917.
MISCELLANEOUS	871.
SUPPLIES	17,582.
TELEPHONE	1,406.
UTILITIES	18,617.
WAGES AND SALARIES	56,972.
PENSION PLAN CONTRIBUTIONS	1,236.
OTHER EMPLOYEE BENEFITS	5,015.
PAYROLL TAXES	4,763.
BAD DEBTS	74.
EQUIPMENT RENTAL AND MAINTENANCE	746.
PRINTING	343.
POSTAGE	498.
CONFERENCES AND MEETINGS	18.
DEPRECIATION	18,473.
TOTAL	\$ 162,871.

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 8/31/06.