

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)

OMB No. 1545-0047

2005-06

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning July 1, 2005, and ending June 30, 2006

B Check if applicable:

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

C Name of organization
McNeilly Center for Children
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
400 Meridian Street
 City or town, state or country, and ZIP + 4
Nashville, TN 37207-5922

D Employer identification number
62-0479366

E Telephone number
(615) 255-2549

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) ▶

G Website: ▶

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 ▶

J Organization type (check only one) ▶ ☒ 501(c)(3) (insert no.) ☐ 4947(a)(1) or ☐ 527

K 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 ▶ **3,433,290**

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

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	144666	
	b	Indirect public support	1b	316703	
	c	Government contributions (grants)	1c	333275	
	d	Total (add lines 1a through 1c) (cash \$ 794644 noncash \$)	1d	794644	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	2570734	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	38277	
	5	Dividends and interest from securities	5		
	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			
Expenses	8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	
	b	Less: cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
	9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a	29635	
	b	Less: direct expenses other than fundraising expenses	9b	6781	
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	22854	
	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 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	3426509		
Net Assets	13	Program services (from line 44, column (B))	13	3196354	
	14	Management and general (from line 44, column (C))	14	224141	
	15	Fundraising (from line 44, column (D))	15	53790	
	16	Payments to affiliates (attach schedule)	16	0	
	17	Total expenses (add lines 16 and 44, column (A))	17	3474285	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-47776	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1872275	
	20	Other changes in net assets or fund balances (attach explanation)	20	0	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	1824499	

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 the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	95385	0	95385
26	Other salaries and wages	26	2106561	1998250	66782
27	Pension plan contributions	27	69349	59893	7817
28	Other employee benefits	28	194275	186763	4128
29	Payroll taxes	29	170995	155622	12450
30	Professional fundraising fees	30	0	0	0
31	Accounting fees	31	17836	858	16978
32	Legal fees	32	0	0	0
33	Supplies	33	90979	90407	395
34	Telephone	34	13715	11967	1275
35	Postage and shipping	35	607	40	530
36	Occupancy	36	204345	195360	5580
37	Equipment rental and maintenance	37	52458	52458	0
38	Printing and publications	38	5821	5033	788
39	Travel	39	10020	9075	870
40	Conferences, conventions, and meetings	40	8892	7858	936
41	Interest	41	0	0	0
42	Depreciation, depletion, etc. (attach schedule)	42	79294	74024	5270
43	Other expenses not covered above (itemize):				
a	Food Costs	43a	298793	298793	0
b	Employee/Family Assistance	43b	15250	14750	450
c	Enrichment/Field Trips	43c	23205	23205	0
d	Bad Debts/Bank Fees	43d	14132	10130	4002
e	Continuing Education	43e	1316	1316	0
f	Dues	43f	1057	552	505
g		43g			
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	3474285	3196354	224141

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 \$ N/A; (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? ► <u>Child Care</u> 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 <small>(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; not optional for others.)</small>
a Our business purpose is to provide quality child care at an affordable cost to low income families. (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3196354
b (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). ►	3196354

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing	15743	45	39611
	46 Savings and temporary cash investments	190636	46	286811
	47a Accounts receivable	47a 189995		
	b Less: allowance for doubtful accounts	47b 606	193576	47c 189389
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b		48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	22546	53	27982
	54 Investments—securities (attach schedule)	566276	54	576251
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b		55c
56 Investments—other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 1840764			
b Less: accumulated depreciation (attach schedule)	57b 835578	1069783	57c 1005186	
58 Other assets (describe ►)		58		
59 Total assets (must equal line 74). Add lines 45 through 58.	2058560	59	2125230	
Liabilities	60 Accounts payable and accrued expenses	186285	60	195731
	61 Grants payable		61	
	62 Deferred revenue		62	105000
	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)		64b	
	65 Other liabilities (describe ►)		65	
66 Total liabilities. Add lines 60 through 65	186285	66	300731	
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	1820115	67	1643434
	68 Temporarily restricted	52160	68	181065
	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)	1872275	73	1824499
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	2058560	74	2125230

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

Instructional		a	3426509
a	Total revenue, gains, and other support per audited financial statements		
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	0
c	Subtract line b from line a	c	0
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0
e	Total revenue (Part I, line 12). Add lines c and d ▶	e	3426509

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

a	Total expenses and losses per audited financial statements	a	3474285
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	
	Add lines b1 through b4	b	0
c	Subtract line b from line a	c	0
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	0
e	Total expenses (Part I, line 17). Add lines c and d	e	3474285

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

[illegible]

Part VI Other Information (continued)

Yes No

82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		✓
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		✓
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		✓
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b		✓
c	Dues, assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		✓
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		✓
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		✓
89a	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) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		✓
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0			0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0			0
90a	List the states with which a copy of this return is filed ▶ Tennessee			
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90b	100	
91a	The books are in care of ▶ Melba Marcum Telephone no. ▶ (615) 255-2549 Located at ▶ 400 Meridian Street, Nashville, TN ZIP + 4 ▶ 37207-5922			
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 ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b		✓
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶	91c		✓
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92			☐

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	Child Care Fees					671211
b						
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					1899523
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments			14	1620	
96	Dividends and interest from securities			14	36657	
97	Net rental income or (loss) from real estate:					
a	debt-financed property					
b	not debt-financed property					
98	Net rental income or (loss) from personal property					
99	Other investment income					
100	Gain or (loss) from sales of assets other than inventory					
101	Net income or (loss) from special events			1	22854	
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))				61131	2570734
105	Total (add line 104, columns (B), (D), and (E))					2631865

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	Fees collected from clients for child care-our exempt purpose
93G	Fees collected from Tn. Dept of Human Services, Head Start(MDHA) & Metro Social Services(Metro Nashville Gov.) to pay the client's child care- our exempt purpose

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
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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

Please
Sign
Here

Signature of officer

Melba Marcum, Executive Director

Type or print name and title.

Date

7-25-06

Paid
Preparer's
Use OnlyPreparer's
signatureFirm's name (or yours
if self-employed),
address, and ZIP + 4

Date

Check if
self-
employed ☐

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

EIN

Phone no.



McNeilly Center for Children

400 Meridian Street

Nashville, TN 37207

(615) 255-2549

fax (615) 244-8998

62-0479366

Form 990 – 2005/2006- July 1, 2005-June 30, 2006

Part I - #1

a. Gifts	144666
b. United Way	316703
c. CACFP, Read-To-Succeed	<u>333275</u>
	794644

Part I - #9

	Revenue	Expenses	Net
Support-A-Child Mailing	24590	481	24109
McNeilly In May Event	5045	6300	<u>(1255)</u>
			22854

Part IV - #54 – Endowment

AmSouth- Money Fund	15228.10
Royce Fund #266	37168.28
Pioneer Mid Cap #710	42843.15
Pioneer Short Term Income #755	86378.64
Pioneer Fund Class Y #701	83533.86
Pioneer Oak Ridge Lg. Cap Growth #748	89668.63
Pioneer Value Fund Class Y #702	71383.37
Pioneer International Core Equity #769	38025.00
Pioneer Bond Fund Class Y Fund #703	52007.16
Pioneer Gov. Income Fund #774	<u>60015.13</u>
	576251.32

McNeilly Center For Children
400 Meridian Street
Nashville, TN 37207

ID#62-0479366
FORM 990- Part II-#43 & Part V-#57
July 1, 2005-June 30, 2006

Description	Year	Cost	Life	Prior	Current	Discard	Accrued
			Method	Depreciation	Depreciation	Adj.	6/30/2006
Land		65588.61					
Bldg B	1995	479339.83	40/SL	121832.26	11983.50		133,815.76
Bldg B-Improvements	Varied	51930.14	Var/SL	14535.31	6161.5	-618.75	20078.06
Bldg. A	1968	273201.77	40/SL	198210.87	6762.39		204973.26
Bldg.A- Improvements	Varied	181267.91	Var/SL	104506.91	14165.21		118692.12
NCC Bldg	Varied	311297.54	40/SL	49920.18	7782.44		57702.62
NCC Bldg Improve	Varied	43899.45	Var/SL	16745.86	2928.17		19674.03
Playground Reno	2000	197801.95	15/SL	67374.53	13151		80525.53
NCC Equipment	Varied	10970.12	Var/SL	8938.18	1179.38		10117.56
NCC Furniture/Fixtures	Varied	18778.00	Var/SL	13680.38	1069.64		14750.02
Educational Equip	Varied	27364.07	Var/SL	23911.25	1607.33		25518.58
Educational Equip-SA	Varied	6516.00	Var/SL	5175.15	1218.65		6393.8
Educational Equip-Infant		4683.59	Var/SL	52.81	1393.28		1446.09
Office Equipment	Varied	64715.69	Var/SL	54034.11	5270.27		59304.38
Kitchen/Laundry Equip	Varied	39704.68	Var/SL	25730.11	2291.98		28022.09
Van/Bus	Varied	42120	Var/SL	42120.00	0		42120
Playground Equip	Varied	21584.78	Var/SL	11316.11	1127.73		12443.84
		1840764.13		758084.02	78112.47	-618.75	835577.74

✱

disposal assets

\$ 1182