

Return of Organization Exempt From Income Tax

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

2004

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning 2004, and ending 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization: **SPECIAL KIDS INC**
 Number and street (or P. O. box if mail is not delivered to street address) Room/suite: **202 ARNETTE STREET**
 City or town, state or country, and ZIP + 4: **MURFREESBORO, TN 37130**

D Employer identification number: **62-1718638**

E Telephone number: **(615) 867-5090**

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶

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 received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 1,189,443

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? (If "No," attach a list. See instructions.) Yes No
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)			
	1 Contributions, gifts, grants, and similar amounts received:		
	a Direct public support	1a	448,213
	b Indirect public support	1b	
	c Government contributions (grants)	1c	
	d Total (add lines 1a through 1c) (cash \$ <u>446,713</u> noncash \$ <u>1,500</u>)	1d	448,213
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	740,163
	3 Membership dues and assessments	3	
	4 Interest on savings and temporary cash investments	4	1,067
	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	
	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
	b Less: cost or other basis and sales expenses	8a	
	c Gain or (loss) (attach schedule)	8b	
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	
	9 Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>	8d	
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a	
	b Less: direct expenses other than fundraising expenses	9b	
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	
	10a Gross sales of inventory, less returns and allowances	10a	
	b Less: cost of goods sold	10b	
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	
	11 Other revenue (from Part VII, line 103)	11	
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,189,443
E	13 Program services (from line 44, column (B))	13	805,617
x	14 Management and general (from line 44, column (C))	14	91,908
p	15 Fundraising (from line 44, column (D))	15	36,156
e	16 Payments to affiliates (attach schedule)	16	
n	17 Total expenses (add lines 16 and 44, column (A))	17	933,681
s	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	255,762
s	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	414,162
s	20 Other changes in net assets or fund balances (attach explanation)	20	
s	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	669,924

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages	602,152	530,241	71,911	
27	Pension plan contributions				
28	Other employee benefits	17,726	8,265	9,461	
29	Payroll taxes	54,538	48,949	5,589	
30	Professional fundraising fees				
31	Accounting fees	13,700	13,426	274	
32	Legal fees				
33	Supplies	25,640	24,902	738	
34	Telephone	10,377	8,097	2,280	
35	Postage and shipping	3,898	3,809	89	
36	Occupancy	17,018	16,694	324	
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel	2,164	1,798	366	
40	Conferences, conventions, and meetings				
41	Interest	59	24	35	
42	Depreciation, depletion, etc. (attach schedule)	17,385	17,385		
43	Other expenses not covered above (Itemize): a <u>INSURANCE</u>	17,630	17,131	499	
	b <u>BANQUET AND MARATHON</u>	36,156			36,156
	c <u>CONTRACT SERVICE PROVIDERS</u>	92,046	92,046		
	d <u>FAMILY SUPPORT</u>	6,100	6,100		
	e <u>OTHER</u>	17,092	16,750	342	
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	933,681	805,617	91,908	36,156

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

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

What is the organization's primary exempt purpose? <u>PROVIDE SKILLED CARE</u>		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)		
a	<u>PROVIDE MEDICAL, RESPITE, THERAPY AND NURSING CARE FOR "SPECIAL NEEDS" KIDS WITH SEVERE MEDICAL NEEDS AND/OR MENTAL HANDICAPS</u> (Grants and allocations \$ _____)	805,617
b	 (Grants and allocations \$ _____)	
c	 (Grants and allocations \$ _____)	
d	 (Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	805,617

Part IV Balance Sheets (See page 25 of the instructions.)

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

		(A)		(B)
		Beginning of year		End of year
45	Cash - non-interest-bearing	82,364	45	211,053
46	Savings and temporary cash investments		46	114,980
47 a	Accounts receivable	76,838		
	b Less: allowance for doubtful accounts			
		117,824	47c	76,838
48 a	Pledges receivable			
	b Less: allowance for doubtful accounts			
			48c	
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
A	51 a Other notes and loans receivable (attach schedule)			
s				
s	b Less: allowance for doubtful accounts		51c	
e	52 Inventories for sale or use		52	
t	53 Prepaid expenses and deferred charges		53	
s	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments - land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)			
			55c	
	56 Investments - other (attach schedule)		56	1,500
	57 a Land, buildings, and equipment: basis	376,076		
	b Less: accumulated depreciation (attach schedule)			
		270,135	57c	279,628
	58 Other assets (describe <input type="checkbox"/>)		58	
	59 Total assets (add lines 45 through 58) (must equal line 74)	470,323	59	683,999
L	60 Accounts payable and accrued expenses	36,453	60	13,801
i	61 Grants payable		61	
a	62 Deferred revenue		62	
b	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
i	64 a Tax-exempt bond liabilities (attach schedule)		64a	
t	b Mortgages and other notes payable (attach schedule)		64b	
i	65 Other liabilities (describe <input type="checkbox"/> LINE OF CREDIT)	19,708	65	
e	66 Total liabilities (add lines 60 through 65)	56,161	66	13,801
s	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
N	67 Unrestricted	414,162	67	670,198
F	68 Temporarily restricted		68	
e	69 Permanently restricted		69	
u	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
n	70 Capital stock, trust principal, or current funds		70	
d	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
A	72 Retained earnings, endowment, accumulated income, or other funds		72	
s	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)	414,162	73	670,198
B	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	470,323	74	683,999

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

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

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	1,189,443
b	Amounts included on line a but not on line 12, Form 990:		
	(1) Net unrealized gains on investments . . \$ _____		
	(2) Donated services and use of facilities . \$ _____		
	(3) Recoveries of prior year grants \$ _____		
	(4) Other (specify): _____		
	_____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	b	
c	Line a minus line b ▶	c	1,189,443
d	Amounts included on line 12, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$ _____		
	(2) Other (specify): _____		
	_____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d). ▶	e	1,189,443

a	Total expenses and losses per audited financial statements ▶	a	933,681
b	Amounts included on line a but not on line 17, Form 990:		
	(1) Donated services and use of facilities . \$ _____		
	(2) Prior year adjustments reported on line 20, Form 990 \$ _____		
	(3) Losses reported on line 20, Form 990 . . \$ _____		
	(4) Other (specify): _____		
	_____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	b	
c	Line a minus line b ▶	c	933,681
d	Amounts included on line 17, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$ _____		
	(2) Other (specify): _____		
	_____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d). ▶	e	933,681

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE ATTACHED LIST HOURS = AS NEEDED, NO PAY	DIRECTORS	0	0	0

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

Part V Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
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	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed <input type="checkbox"/>		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	
91	The books are in care of <input type="checkbox"/> Telephone no. <input type="checkbox"/>		
	Located at <input type="checkbox"/> ZIP + 4 <input type="checkbox"/>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by 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 INSURANCE PROVIDERS				696,384	
b PATIENT SERVICE FEES				43,779	
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
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					
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))				740,163	
105 Total (add line 104, columns (B), (D), and (E))					740,163

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	WE PROVIDE SEVERAL TYPES OF THERAPY FOR SPECIAL NEEDS CHILDREN
93B	WE ALSO PROVIDE NURSING DAYCARE FOR SPECIAL NEEDS CHILDREN

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

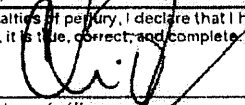
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

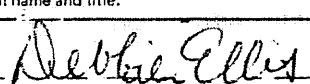
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer:  Date: _____

Type or print name and title: **Chris Truelove, Executive Director**

Paid Preparer's Use Only

Preparer's signature:  Date: 06-21-2005 Check if self-employed:

Firm's name (or yours if self-employed) address, and ZIP + 4: **H A BEASLEY & COMPANY CPAS**
237 W NORTHFIELD, SUITE 102
MURFREESBORO TN 37129

Preparer's SSN or PTIN (See Gen. Inst. W): 408-88-0434
 EIN: 62-1588165
 Phone no.: 615-895-5675

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 Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2004

Supplementary Information -- (See separate instructions.)

Department 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

Employer identification number

SPECIAL KIDS INC

62-1718638

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the 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 & deferred compensation	(e) Expense account and other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the 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 ▶

Part III Statements About Activities (See page 2 of the 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 ▶\$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		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
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

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the 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). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the 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 page 5 of the instructions.)

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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . .	448,213	279,974	167,999	127,138	1,023,324
16 Membership fees received					
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	740,163	665,669	589,601	415,911	2,411,344
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	1,067	97	1,348	2,756	5,268
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	1,189,443	945,740	758,948	545,805	3,439,936
24 Line 23 minus line 17	449,280	280,071	169,347	129,894	1,028,592
25 Enter 1% of line 23	11,894	9,457	7,589	5,458	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts . . . ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶					26d
e Public support (line 26c minus line 26d total) ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f %
27 Organizations described on line 12: 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: (2003) _____ (2002) _____ (2001) _____ (2000) _____ 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 11, 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: (2003) _____ (2002) _____ (2001) _____ (2000) _____ c Add: Amounts from column (e) for lines: 15, 023, 324 16 _____ 12, 411, 344 20 _____ 21 _____ ▶					27c 3,434,668
d Add: Line 27a total and line 27b total ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e 3,434,668
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f 3,439,936
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g 99.85%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h 0.15%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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.					

Depreciation and Amortization (Including Information on Listed Property)

2004

Department of the Treasury
Internal Revenue Service

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

SPECIAL KIDS INC

PROGRAM SERVICES - 1

62-1718638

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	\$100,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$400,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
(a) Description of property (b) Cost (business use only) (c) Elected cost		
6		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see Instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Deduction Allowance and Other Depreciation (Do not include listed property.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15 Property subject to section 168(i)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	15,829

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property STATEMENT # 50						1,251
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See page 6 of the instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr	22	17,080
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Depreciation and Amortization (Including Information on Listed Property)

2004

Attachment Sequence No. 67

Department of the Treasury Internal Revenue Service

See separate instructions.

Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

SPECIAL KIDS INC

PROGRAM SERVICES - 2

62-1718638

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Section 179 election. Line 1: Maximum amount \$100,000. Line 2: Total cost. Line 3: Threshold cost \$400,000. Line 4: Reduction in limitation. Line 5: Dollar limitation. Line 6-13: Detailed property table with columns for description, cost, and elected cost.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Deduction Allowance and Other Depreciation (Do not include listed property.)

Table with 3 rows for Special Deduction Allowance. Line 14: Special depreciation allowance. Line 15: Property subject to section 168(f)(1) election. Line 16: Other depreciation (including ACRS).

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)

Section A

Table with 2 rows for Section A. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2003. Line 18: If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here.

Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include Class life 12-year and 40-year.

Part IV Summary (See page 6 of the instructions)

Table with 3 rows for Summary. Line 21: Listed property. Line 22: Total. Line 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

Statement Summary
FORM 4562 - LINE 19A

2004
STATEMENT 50

Name(s) shown on return
SPECIAL KIDS INC

Identifying Number
62-1718638

BASIS	RP	CV	METHOD	DEDUCTION
4,905	5	HY	SL	491
1,988	5	HY	SL	199
1,284	5	HY	SL	128
2,009	5	HY	SL	201
929	5	HY	SL	93
536	5	HY	SL	54
285	5	HY	SL	29
267	5	HY	SL	27
286	5	HY	SL	29
TOTALS				1,251



Board of Directors -2004

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Cam Bivens

Alvester Brown

Brenda Coleman

D. Jerry Collins, M.D.

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