

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

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

Please use IRS label or print or type. See Specific Instructions.	C Name of organization SPECIAL KIDS INC		D Employer identification number 62-1718638
	Number and street for P.O. box (if mail is not delivered to street address) Room/suite 202 ARNETTE STREET		E Telephone number (615) 867-5090
	City or town, state or country, and ZIP + 4 MURFREESBORO, TN 37130		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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? (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

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

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				
R e v e n u e	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		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				
	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 x p e n s e s	13 Program services (from line 44, column (B))	13	805,617			
	14 Management and general (from line 44, column (C))	14	91,908			
	15 Fundraising (from line 44, column (D))	15	36,156			
	16 Payments to affiliates (attach schedule)	16				
	17 Total expenses (add lines 16 and 44, column (A))	17	933,681			
N e t A s s e t s	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	255,762			
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	414,162			
	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	669,924			

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

Part III 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 \$ _____)	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				
26	Other salaries and wages	26	602,152	530,241	71,911	
27	Pension plan contributions	27				
28	Other employee benefits	28	17,726	8,265	9,461	
29	Payroll taxes	29	54,538	48,949	5,589	
30	Professional fundraising fees	30				
31	Accounting fees	31	13,700	13,426	274	
32	Legal fees	32				
33	Supplies	33	25,640	24,902	738	
34	Telephone	34	10,377	8,097	2,280	
35	Postage and shipping	35	3,898	3,809	89	
36	Occupancy	36	17,018	16,694	324	
37	Equipment rental and maintenance	37				
38	Printing and publications	38				
39	Travel	39	2,164	1,798	366	
40	Conferences, conventions, and meetings	40				
41	Interest	41	59	24	35	
42	Depreciation, depletion, etc. (attach schedule)	42	17,385	17,385		
43	Other expenses not covered above (itemize): a <u>INSURANCE</u>	43a	17,630	17,131	499	
	b <u>BANQUET AND MARATHON</u>	43b	36,156		36,156	
	c <u>CONTRACT SERVICE PROVIDERS</u>	43c	92,046	92,046		
	d <u>FAMILY SUPPORT</u>	43d	6,100	6,100		
	e <u>OTHER</u>	43e	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	44	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.)
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		47b		
		117,824	47c	76,838	
48 a	Pledges receivable		48a		
	b Less: allowance for doubtful accounts		48b		
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)		51a		
s	b Less: allowance for doubtful accounts		51b		
s	52 Inventories for sale or use		52		
e	53 Prepaid expenses and deferred charges		53		
t	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54		
s	55 a Investments - land, buildings, and equipment: basis		55a		
	b Less: accumulated depreciation (attach schedule)		55b		
	56 Investments - other (attach schedule)		56	1,500	
	57 a Land, buildings, and equipment: basis	376,076	57a		
	b Less: accumulated depreciation (attach schedule)	96,448	57b		
	58 Other assets (describe _____)	270,135	57c	279,628	
	58		58		
	59 Total assets (add lines 45 through 58) (must equal line 74)	470,323	59	683,999	OK
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 <u>LINE OF CREDIT</u>)	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	

14,075
Per audit
see email

669,924
Per audit
see email

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.)

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

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

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.)

Form with questions 76 through 92 and Yes/No columns. Includes questions about political expenditures, lobbying, and charitable trusts.

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: Chris Truelove
 Type or print name and title: Executive Director
 Date: _____

Paid Preparer's Use Only
 Preparer's signature: Debbie Ellis Date: 06-21-2005 Check if self-employed:
 Preparer's SSN or PTIN (See Gen. Inst. W): 408-88-0434
 Firm's name (or yours if self-employed) address, and ZIP + 4: H A BEASLEY & COMPANY CPAS EIN: 62-1588165
237 W NORTHFIELD, SUITE 102 Phone no: _____
MURFREESBORO TN 37129 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

Supplementary Information -- (See separate instructions.)

OMB No. 1545-0047

2004

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
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, 16, 17, 18, 19, 20, 21, 22, 26b	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)

Department of the Treasury Internal Revenue Service Name(s) shown on return

See separate instructions.

Attach to your tax 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 main 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 cost and deduction breakdown.

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(i)(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: Grouping assets under section 168(i)(4).

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, Residential rental, 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 12-year and 40-year class lives.

Part IV Summary (See page 6 of the instructions)

Table with 3 rows for Summary. Line 21: Listed property. Line 22: Total. Line 23: 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
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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

Jason Anderson

Cam Bivens

Alvester Brown

Brenda Coleman

D. Jerry Collins, M.D.

Larry Crocker

Kyle Daniel, DVM

Ray Eckerson

Carrie M. Goodwin

Bill Lowe

Shane McFarland

Ben Hall McFarlin, Jr.

Elizabeth Smith

Paul Smith