

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)

2008

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.

Header section A-M containing organization details: Name (SPECIAL KIDS INC), Address (202 ARNETTE STREET, MURFREESBORO, TN 37130), Employer ID (62-1718638), Telephone (615) 867-5090, Gross receipts (\$1,498,730), Tax-exempt status (501(c)(3)), Website (N/A), Type of organization (Corporation), Year of formation (1998), State of legal domicile (TN).

Part I Summary table with columns for Revenue, Expenses, and Net Assets or Fund Balances. Rows include mission statement (PROVIDE SKILLED CARE), governing body details, revenue breakdown (Total revenue: 1,516,098), expense breakdown (Total expenses: 1,614,417), and net assets (Total assets: 806,595).

Part II Signature Block containing signature of officer Chris Imelore, Executive Director, dated 6-May-09, and preparer's signature from H A BRASLEY AND COMPANY CPAS PC, dated 04-16-2009.

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

PROVIDE SKILLED CARE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,200,743 including grants of \$) (Revenue \$)

PROVIDE MEDICAL, RESPITE, THERAPY AND NURSING CARE FOR "SPECIAL NEEDS" KIDS WITH SEVERE MEDICAL NEEDS AND/OR MENTAL HANDICAPS

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **\$ 1,200,743** (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<input checked="" type="checkbox"/>
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II.		<input checked="" type="checkbox"/>
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<input checked="" type="checkbox"/>
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<input checked="" type="checkbox"/>
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<input checked="" type="checkbox"/>
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<input checked="" type="checkbox"/>
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		<input checked="" type="checkbox"/>
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	<input checked="" type="checkbox"/>	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	<input checked="" type="checkbox"/>	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<input checked="" type="checkbox"/>
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?		<input checked="" type="checkbox"/>
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		<input checked="" type="checkbox"/>
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		<input checked="" type="checkbox"/>
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		<input checked="" type="checkbox"/>
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		<input checked="" type="checkbox"/>
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	<input checked="" type="checkbox"/>	
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		<input checked="" type="checkbox"/>
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		<input checked="" type="checkbox"/>
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		<input checked="" type="checkbox"/>
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		<input checked="" type="checkbox"/>
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J		<input checked="" type="checkbox"/>
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		<input checked="" type="checkbox"/>
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		<input checked="" type="checkbox"/>
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		<input checked="" type="checkbox"/>
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV		X
b	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV		X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question number, question text, and Yes/No columns. Includes rows for 1a (18), 1b (0), 2a (59), 2b (X), 3a (X), 3b, 4a (X), 5a (X), 5b (X), 5c, 6a (X), 6b (X), 7a-h, 8 (X), 9a-b, 10a-b, 11a-b, 12a-b.

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	1a	14
b	Enter the number of voting members that are independent	1b	14
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9a	Does the organization have local chapters, branches, or affiliates?	9a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11	X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13	Does the organization have a written whistleblower policy?	13	X
14	Does the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a	The organization's CEO, Executive Director, or top management official?	15a	X
b	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	15b	X
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year	16a	X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the states with which a copy of this Form 990 is required to be filed ▶ TN
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ CHRIS TRUELOVE (615) 890-1003 202 ARNETTE STREET MURFREESBORO, TN 37130

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		I n d i v i d u a l	D i r e c t o r	I n s t i t u t i o n a l	O f f i c e r	K e y e m p l o y e e	H i g h e s t c o m p e n s a t e d	F o r m e r			
SEE ATTACHED LIST DIRECTORS					X						

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		I n d i v i d u a l	D i r e c t o r	T r u s t e e	O f f i c e r	K e y e m p l o y e e	H i g h e s t c o m p e n s a t e d			
1b Total							0	0	0	

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **0**

Part VIII		Statement of Revenue		(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants, and similar amounts	1a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	117,323				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	276,327				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f			393,650			
Program service revenue			Business Code					
	2a	INSURANCE PROVIDERS	621300	742,405	742,405			
	b	PATIENT SERVICE FEES	621300	98,866	98,866			
	c							
	d							
	e							
	f	All other program service revenue						
g	Total. Add lines 2a-2f			841,271				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		2,910	2,910			
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6a	Gross Rents	(i) Real	(ii) Personal				
	b	Less: rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b	Less: cost or other basis and sales expenses						
c	Gain or (loss)							
d	Net gain or (loss)							
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	260,899					
		b	Less: direct expenses					
		c	Net income or (loss) from fundraising events		260,899	260,899		
9a	Gross income from gaming activities. See Part IV, line 19	a						
		b	Less: direct expenses					
		c	Net income or (loss) from gaming activities					
10a	Gross sales of inventory, less returns and allowances	a						
		b	Less: cost of goods sold					
		c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code						
11a								
e	Total. Add lines 11a-11d							
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			1,498,730	1,105,080	0	0	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	1,105,970	828,454	118,754	158,762
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	53,117	39,309	13,808	
10	Payroll taxes	87,835	66,200	8,899	12,736
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting	10,501	8,684	840	977
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion				
13	Office expenses	20,436	15,998	2,538	1,900
14	Information technology				
15	Royalties				
16	Occupancy	18,787	15,632	1,408	1,747
17	Travel	2,434	1,925	509	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	59,367	56,853	2,514	
20	Interest	2,181	1,111	1,070	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	27,689	24,840	576	2,273
23	Insurance	26,499	22,371	1,664	2,464
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	INSURANCE				
b	BANQUET AND MARATHON	64,972			64,972
c	CONTRACT SERVICE PROVIDE	56,022	56,022		
d	FAMILY SUPPORT				
e	SUBSCRIPTIONS	12,279	10,721	1,558	
f	All other expenses	66,328	52,623	8,215	5,490
25	Total functional expenses. Add lines 1 through 24f	1,614,417	1,200,743	162,353	251,321
26	Joint Costs. Check here <input type="checkbox"/> if following \ SOP 98-2. Complete this line only if the organization organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)	
		Beginning of year		End of year	
A s s e t s	1	Cash - non-interest-bearing	117,956	1	44,943
	2	Savings and temporary cash investments	199,892	2	163,028
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	68,524	4	70,953
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	9,092	9	46,591
	10a	Land, buildings, and equipment: cost basis	481,080		
	b	Less: accumulated depreciation. Complete Part VI of Schedule D			
			474,517	10c	481,080
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11.		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11		15		
16	Total assets. Add lines 1 through 15 (must equal line 34)	869,981	16	806,595	
L i a b i l i t i e s	17	Accounts payable and accrued expenses	44,078	17	96,378
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	Total liabilities. Add lines 17 through 25	44,078	26	96,378
N e t A s s e t B a l a n c e s	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	825,903	27	710,217
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	825,903	33	710,217
	34	Total liabilities and net assets/fund balances	869,981	34	806,595

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b	If "Yes," did the organization undergo the required audit or audits?	3b	

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

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

2008
Attachment
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

SPECIAL KIDS INC

FORM 990 - 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 the instructions for a higher limit for certain businesses	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
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 instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
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 2007 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 2009. 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 Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	17,103

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	8,073
18	If you are electing 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 2008 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 STATEMENT # 50						948
b	5-year property STATEMENT # 51						406
c	7-year property STATEMENT # 52						601
d	10-year property						
e	15-year property		16,232	15	HY	S/L	541
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			27.5 yrs.	MM	S/L	
				39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2008 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 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	27,672
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	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25								
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28								
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29								

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	31 Total commuting miles driven during the year											
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2008 tax year (see instructions):						
43 Amortization of costs that began before your 2008 tax year					43	17
44 Total. Add amounts in column (f). See the instructions for where to report					44	17

Public Charity Status and Public Support

2008

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

Open to Public Inspection

Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization SPECIAL KIDS INC

Employer identification number 62-1718638

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state:
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9 [X] 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 exempt 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). (Complete Part III.)
10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
a Type I b Type II c Type III-Functionally integrated d Type III-Other
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii) A family member of a person described in (i) above?
(iii) A 35% controlled entity of a person described in (i) or (ii) above?

Table with columns Yes and No for rows 11g(i), 11g(ii), and 11g(iii).

h Provide the following information about the organizations the organization supports.

Table with columns (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	448,213	440,477	678,319	644,633	654,549	2,866,191
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	740,163	649,278	745,265	862,246	841,271	3,838,223
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5	1,188,376	1,089,755	1,423,584	1,506,879	1,495,820	6,704,414
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						6,704,414

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	1,188,376	1,089,755	1,423,584	1,506,879	1,495,820	6,704,414
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,067	5,492	7,812	9,219	2,910	26,500
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,067	5,492	7,812	9,219	2,910	26,500
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regular carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						6,730,914
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	99.61	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16		%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	0.39	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18		%

- 19a 33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation:** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Political Campaign and Lobbying Activities

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2008

To be completed by organizations described below.

Attach to Form 990 or Form 990-EZ.

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

SPECIAL KIDS INC

Employer identification number

62-1718638

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. See the instructions for Schedule C for details.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures \$
3 Volunteer hours

Part I-B To be completed by all organizations exempt under section 501(c)(3). See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

- A** Check if the filing organization belongs to an affiliated group.
B Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is :</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is :	Not over \$500,000	20% of the amount on line 1e.	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.	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.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is :													
Not over \$500,000	20% of the amount on line 1e.													
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.													
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.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a														
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroot non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

Table with 3 main columns: (a) Yes/No, (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation...; 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?; 2b If "Yes," enter the amount of any tax incurred under section 4912; 2c If "Yes," enter the amount of any tax incurred by organization managers under section 4912; 2d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.

Table with 3 columns: Question, Yes, No. Rows include: 1 Were substantially all (90% or more) dues received nondeductible by members?; 2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?; 3 Did the organization agree to carryover lobbying and political expenditures from the prior year?

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

Table with 2 main columns: Question, Amount. Rows include: 1 Dues, assessments and similar amounts from members; 2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid); 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues; 4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?; 5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i.

Also, complete this part for any additional information.

Horizontal lines for providing supplemental information.

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization

SPECIAL KIDS INC

Employer identification number

62-1718638

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year, 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?, 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Revenues, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---------------------------------|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Term endowment ▶ _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other STMD1E	481,080			481,080
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				481,080

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

Table with 3 columns: (a) Description of security or category, (b) Book value, (c) Method of valuation. Includes rows for Financial derivatives, Closely-held equity interests, and Other.

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

Table with 3 columns: (a) Description of investment type, (b) Book value, (c) Method of valuation.

Part IX Other Assets. See Form 990, Part X, line 15.

Table with 2 columns: (a) Description, (b) Book value.

Part X Other Liabilities. See Form 990, Part X, line 25.

Table with 2 columns: (a) Description of liability, (b) Amount. Includes Federal income taxes.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,498,730
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,614,417
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(115,687)
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	(115,687)

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,498,730
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	1,498,730
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	1,498,730

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,614,417
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	1,614,417
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	1,614,417

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No. 1545-0047

Department of the Treasury Internal Revenue Service

Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.

2008

Open to Public Inspection

Name of the organization SPECIAL KIDS INC

Employer identification number 62-1718638

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
a Mail solicitations
b Email solicitations
c Phone solicitations
d In-person solicitations
e Solicitation of non-government grants
f Solicitation of government grants
g Special fundraising events
2a Did the organization have a written or oral agreement with any individual...
b If "Yes," list the ten highest paid individuals or entities (fundraisers)...

Table with 6 columns: (i) Name of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col. (i), (vi) Amount paid to (or retained by) organization. Includes a Total row at the bottom.

- 3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a)Event #1	(b)Event #2	(c)Other Events	(d) Total Events
		FUNDRAISING			Add col. (a) through col. (c)
		(event type)	(event type)	(total number)	(c)
R e v e n u e	1	Gross receipts	260,899		260,899
	2	Less: Charitable contributions			
	3	Gross revenue (line 1 minus line 2)	260,899		260,899
D i r e c t E x p e n s e s	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Other direct expenses			
	8	Direct expenses summary. Add lines 4 through 7, column (d) ▶			()
	9	Net income summary. Combine lines 3 and 8 in column (d) ▶			260,899

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a)Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c)Other gaming	(d)Total gaming (Add col. (a) through col. (c))
R e v e n u e	1	Gross revenue			
D i r e c t E x p e n s e s	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary. Add lines 2 through 5 in column (d) ▶			()
	8	Net gaming income summary. Combine lines 1 and 7 in column (d) ▶			

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: _____		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," Explain: _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," Explain: _____		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

Federal Supporting Statements

2008 PG01

Name(s) as shown on return

FEIN

SPECIAL KIDS INC

62-1718638

FORM 4562 - LINE 19A

STATEMENT # 50

<u>BASIS</u>	<u>RP</u>	<u>CV</u>	<u>METHOD</u>	<u>DEDUCTION</u>
850	3	HY	S/L	142
4,835	3	HY	S/L	806
TOTALS				948

FORM 4562 - LINE 19B

PG01
STATEMENT # 51

<u>BASIS</u>	<u>RP</u>	<u>CV</u>	<u>METHOD</u>	<u>DEDUCTION</u>
1,599	5	HY	S/L	160
1,423	5	HY	S/L	142
524	5	HY	S/L	52
524	5	HY	S/L	52
TOTALS				406

FORM 4562 - LINE 19C

PG01
STATEMENT # 52

<u>BASIS</u>	<u>RP</u>	<u>CV</u>	<u>METHOD</u>	<u>DEDUCTION</u>
2,068	7	HY	S/L	148
2,725	7	HY	S/L	195
3,113	7	HY	S/L	222
500	7	HY	S/L	36
TOTALS				601

Federal Supporting Statements

2008 PG01

Name(s) as shown on return

FEIN

SPECIAL KIDS INC

62-1718638

FORM 990, SCHEDULE D, PART VI, LINE 1E
INVESTMENTS - OTHER

STATEMENT #D1E

<u>DESCRIPTION OF INVESTMENT</u>	<u>COST/BASIS (INVESTMENT)</u>	<u>COST/BASIS (OTHER)</u>	<u>DEPR</u>	<u>BOOK VALUE</u>
LAND, BUILDING, EQUIP.	<u>481,080</u>	<u>0</u>	<u>0</u>	<u>481,080</u>
TOTAL	<u>481,080</u>	<u>0</u>	<u>0</u>	<u>481,080</u>

Name(s) as shown on return

FEIN

SPECIAL KIDS INC

62-1718638

OFFICE EXPENSES-PROGRAM EXPENSES

Description	Amount
TELEPHONE AND INTERNET	\$ 14,091
POSTAGE	1,907
Total:	<u>\$ 15,998</u>

OFFICE EXPENSE-MANAGEMENT AND GENERAL

Description	Amount
TELEPHONE AND INTERNET	\$ 2,386
POSTAGE	152
Total:	<u>\$ 2,538</u>

OFFICE EXPENSE-FUNDRAISING

Description	Amount
TELEPHONE AND INTERNET	\$ 1,689
POSTAGE	211
Total:	<u>\$ 1,900</u>

OTHER EXPENSES-PROGRAM EXPENSES

Description	Amount
BANK CHARGES	\$ 20
CONSULTING	2,278
SUPPLIES	41,818
REPAIRS AND MAINTENANCE	8,357
DONATIONS	150
Total:	<u>\$ 52,623</u>

OTHER EXPENSES-MANAGEMENT AND GENERAL

Description	Amount
BANK CHARGES	\$ 631
CONSULTING	263
SUPPLIES	2,441
REPAIRS AND MAINTENANCE	927
DONATIONS	13
PROPERTY TAXES	3,940
Total:	<u>\$ 8,215</u>

Name(s) as shown on return

FEIN

SPECIAL KIDS INC

62-1718638

OTHER EXPENSES-FUNDRAISING

Description

Amount

SUPPLIES

\$ 4,538

REPAIRS AND MAINTENANCE

952

Total:

\$ 5,490

* Item was disposed
of during current year.

Depreciation Detail Listing

Program Services

For your records only

2008

PAGE 1

Name(s) as shown on return

SPECIAL KIDS INC

Social security number/EIN

62-1718638

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	BUILDING	19980301	253,225		100.00		253,225	40	S/L MM	2.5	6,331	69,537			6,331
2	OFFICE SUPPLIES	19970821	303		100.00		303	7		0		303			
3	EQUIPMENT AND FURNISH	19980301	14,490		100.00		14,490	7		0		14,490			
4	OFFICE FURNITURE	20000601	699		100.00		699	7		0		699			
5	SOFTWARE	19980617	1,995		100.00		1,995	5		0		1,995			
6	SOFTWARE UPGRADES	19990601	957		100.00		957	5		0		957			
7	SOFTWARE	20000608	1,693		100.00		1,693	5		0		1,693			
9	LASERJET 2200	20010404	897		100.00		897	5		0		897			
10	50KW EMERGENCY GENERA	20010426	16,877		100.00		16,877	5		0		16,877			
11	DELL COMPUTER	20011015	1,505		100.00		1,505	5		0		1,505			
12	DELL COMPUTER	20011218	1,402		100.00		1,402	5		0		1,402			
13	DELL COMPUTERS	20020201	1,784		100.00		1,784	5		0		1,784			
14	COMPUTER	20030630	1,284		100.00		1,284	5	S/L HY	20	257	1,156			257
15	CLIMBING WALL	20030508	1,307		100.00		1,307	5	S/L HY	20	111	1,307			111
16	TREADMILL	20040123	4,905		100.00		4,905	5	S/L HY	20	981	4,415			981
17	COMPUTER SERVER	20040212	1,988		100.00		1,988	5	S/L HY	20	398	1,791			398
18	BARRELL ROLL	20040625	1,284		100.00		1,284	5	S/L HY	20	257	1,156			257
19	VITAL SIGN MONITOR	20040901	2,009		100.00		2,009	5	S/L HY	20	402	1,809			402
20	LOBBY PLAY ISLAND	20040601	929		100.00		929	5	S/L HY	20	186	837			186
21	GAIT TRAINER	20041008	705		100.00		705	5	S/L HY	20	141	564			141
22	MOBILE STORAGE	20040601	536		100.00		536	5	S/L HY	20	107	482			107
23	STACK CHAIRS	20040622	285		100.00		285	5	S/L HY	20	57	257			57
24	PRESCHOOL KIT	20040701	267		100.00		267	5	S/L HY	20	53	239			53
25	SPORT EQUIP	20040119	286		100.00		286	5	S/L HY	20	57	257			57
26	GRANT COMPUTER	20050131	5,292		100.00		5,292	5	S/L HY	20	1,058	3,703			1,058
27	GRANT COMPUTER	20050131	3,183		100.00		3,183	5	S/L HY	20	637	2,229			637
28	GRANT COMPUTER	20050131	1,772		100.00		1,772	5	S/L HY	20	354	1,239			354
29	GRANT COMPUTER EQUIP,	20050131	1,184		100.00		1,184	5	S/L HY	20	237	829			237
30	HOOFBEATS EQUIP	20050207	570		100.00		570	5	S/L HY	20	114	399			114
31	DIGITAL CAMERA HOOFBE	20050214	406		100.00		406	5	S/L HY	20	81	284			81

Depreciation Detail Listing

Program Services

For your records only

2008

PAGE 2

* Item was disposed
of during current year.

Name(s) as shown on return

SPECIAL KIDS INC

Social security number/EIN

62-1718638

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
32	COMPUTER	20050418	652		100.00		652	5	S/L HY	20	130	455			130
33	COMPUTER	20050517	1,741		100.00		1,741	5	S/L HY	20	348	1,218			348
34	COMPUTER EQUIP	20050517	925		100.00		925	5	S/L HY	20	185	648			185
35	8 SIDED LOFT	20050620	3,444		100.00		3,444	5	S/L HY	20	689	2,411			689
36	COMPUTER	20050729	649		100.00		649	5	S/L HY	20	130	455			130
37	COMPUTER	20050818	1,881		100.00		1,881	5	S/L HY	20	376	1,316			376
38	ACS CART	20050822	1,957		100.00		1,957	5	S/L HY	20	391	1,369			391
39	GRANT EQUIP	20050822	417		100.00		417	5	S/L HY	20	83	291			83
40	GRANT SOFTWARE	20050927	384		100.00		384	5	S/L HY	20	77	269			77
42	PREDATORS GRANT EQUIP	20060701	8,081		100.00		8,081	5	S/L HY	20	1,616	4,040			1,616
43	GRANT SOFTWARE	20060321	6,295		100.00		6,295	5	S/L HY	20	1,259	3,148			1,259
44	202 ARNETTE STREET	20070215	130,987		100.00		130,987	39	S/L MM	2.564	3,359	8,183			3,359
45	TERMINAL SERVER	20070207	5,506		100.00		5,506	5	200 DB HY	32	1,762	2,863			1,404
46	TELEPHONE SYSTEM-COMD	20070227	3,551		100.00		3,551	5	200 DB HY	32	1,136	1,846			906
47	COMPUTER - LIBBY	20070301	1,206		100.00		1,206	5	200 DB HY	32	386	627			308
48	PRINTER-ARNETTE ST	20070321	570		100.00		570	5	200 DB HY	32	182	296			145
49	OFFICE FURNITURE-CHRI	20070507	400		100.00		400	5	200 DB HY	32	128	208			102
50	COMPUTER-JAN DEVELOPM	20071108	600		100.00		600	5	200 DB HY	32	192	312			153
51	COMPUTER-JULIE K	20070425	619		100.00		619	5	200 DB HY	32	198	322			158
52	COMPUTERS-REHAB(TS, LN	20070701	1,759		100.00		1,759	5	200 DB HY	32	563	915			449
53	REHAB MEDICAL-E-1 HEA	20070901	260		100.00		260	7	200 DB HY	24.49	64	101			50
54	TODDLER CHAIR	20070901	422		100.00		422	7	200 DB HY	24.49	103	163			81
55	SECURITY LIGHTS	20080331	2,068		100.00		2,068	7	S/L HY	7.143	148	148			148
56	OFFICE RENOVATION ANN	20080630	16,232		100.00		16,232	15	S/L HY	3.333	541	541			541
57	COMPUTER FOR SPEECH D	20080215	1,599		100.00		1,599	5	S/L HY	10	160	160			160
58	SAVIN COPY MACHINE	20080331	2,725		100.00		2,725	7	S/L HY	7.143	195	195			195
59	CRIB&ACCESSORIES	20080124	3,113		100.00		3,113	7	S/L HY	7.143	222	222			222
60	LAPTOP FOR KERRY	20080818	1,423		100.00		1,423	5	S/L HY	10	142	142			142
61	PEAVEY ESCORT 2000 PC	20080929	500		100.00		500	7	S/L HY	7.143	36	36			36
62	ACER COMPUTER(CLAUDIA	20080930	524		100.00		524	5	S/L HY	10	52	52			52

* Item was disposed
of during current year.

Depreciation Detail Listing

Program Services

For your records only

2008

PAGE 3

Name(s) as shown on return

SPECIAL KIDS INC

Social security number/EIN

62-1718638

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
63	ACER COMPUTER (PAM)	20080930	524		100.00		524	5	S/L HY	10	52	52			52
64	QUICKBOOKS 2008 SOFTW	20080304	850		100.00		850	3	S/L HY	16.667	142	142			142
65	LYTEC SOFTWARE 2008 U	20080605	4,835		100.00		4,835	3	S/L HY	16.667	806	806			806
	Asset(s) Sold														
41	QB SOFTWARE	20050520	342		100.00		342	5	AMT	5	17	199			17
Totals			531,060				531,060				27,689	169,243			26,731

Land Amount
Net Depreciable Cost

531,060

ST ADJ:

* Item was disposed
of during current year.

Depreciation Detail Listing

Management & General

For your records only

2008

PAGE 1

Name(s) as shown on return

SPECIAL KIDS INC

Social security number/EIN

62-1718638

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
8	LAND	19970101	35,404	35,404	100.00		0	0		0					
66	LAND 202 ARNETTE STRE	20070215	84,000	84,000	100.00		0	0		0					
Totals			119,404	119,404											

Land Amount
Net Depreciable Cost

119,404

ST ADJ:

H A BEASLEY AND COMPANY CPAS PC
237 W NORTHFIELD, SUITE 102
MURFREESBORO, TN 37129

SPECIAL KIDS INC
202 ARNETTE STREET
MURFREESBORO, TN 37130

Next Year's Depreciation

2008

Name						FEIN	
SPECIAL KIDS INC						62-1718638	
Form	Multi-Form	Description	Date	Basis	Method	Life	Deduction
PRG	1	BUILDING	19980301	253,225	SL	40	6,331
PRG	1	OFFICE SUPPLIES	19970821	303	SL	7	
PRG	1	EQUIPMENT AND FURNISHING	19980301	14,490	SL	7	
PRG	1	OFFICE FURNITURE	20000601	699	SL	7	
PRG	1	SOFTWARE	19980617	1,995	SL	5	
PRG	1	SOFTWARE UPGRADES	19990601	957	SL	5	
PRG	1	SOFTWARE	20000608	1,693	SL	5	
MGT	1	LAND	19970101		NDA	0	
PRG	1	LASERJET 2200	20010404	897	SL	5	
PRG	1	50KW EMERGENCY GENERATOR	20010426	16,877	SL	5	
PRG	1	DELL COMPUTER	20011015	1,505	SL	5	
PRG	1	DELL COMPUTER	20011218	1,402	SL	5	
PRG	1	DELL COMPUTERS	20020201	1,784	SL	5	
PRG	1	COMPUTER	20030630	1,284	SL	5	128
PRG	1	CLIMBING WALL	20030508	1,307	SL	5	
PRG	1	TREADMILL	20040123	4,905	SL	5	490
PRG	1	COMPUTER SERVER	20040212	1,988	SL	5	197
PRG	1	BARRELL ROLL	20040625	1,284	SL	5	128
PRG	1	VITAL SIGN MONITOR	20040901	2,009	SL	5	200
PRG	1	LOBBY PLAY ISLAND	20040601	929	SL	5	92
PRG	1	GAIT TRAINER	20041008	705	SL	5	141
PRG	1	MOBILE STORAGE	20040601	536	SL	5	54
PRG	1	STACK CHAIRS	20040622	285	SL	5	28
PRG	1	PRESCHOOL KIT	20040701	267	SL	5	28
PRG	1	SPORT EQUIP	20040119	286	SL	5	29
PRG	1	GRANT COMPUTER	20050131	5,292	SL	5	1,058
PRG	1	GRANT COMPUTER	20050131	3,183	SL	5	637
PRG	1	GRANT COMPUTER	20050131	1,772	SL	5	354
PRG	1	GRANT COMPUTER EQUIP,	20050131	1,184	SL	5	237
PRG	1	HOOFBEATS EQUIP	20050207	570	SL	5	114
PRG	1	DIGITAL CAMERA HOOFBEATS	20050214	406	SL	5	81
PRG	1	COMPUTER	20050418	652	SL	5	130
PRG	1	COMPUTER	20050517	1,741	SL	5	348
PRG	1	COMPUTER EQUIP	20050517	925	SL	5	185
PRG	1	8 SIDED LOFT	20050620	3,444	SL	5	689
PRG	1	COMPUTER	20050729	649	SL	5	130
PRG	1	COMPUTER	20050818	1,881	SL	5	376
PRG	1	ACS CART	20050822	1,957	SL	5	391
PRG	1	GRANT EQUIP	20050822	417	SL	5	83
PRG	1	GRANT SOFTWARE	20050927	384	SL	5	77
PRG	1	PREDATORS GRANT EQUIPMEN	20060701	8,081	SL	5	1,616
PRG	1	GRANT SOFTWARE	20060321	6,295	SL	5	1,259
PRG	1	202 ARNETTE STREET	20070215	130,987	M	39	3,359
PRG	1	TERMINAL SERVER	20070207	5,506	M	5	1,057
PRG	1	TELEPHONE SYSTEM-COMDIAL	20070227	3,551	M	5	682
PRG	1	COMPUTER - LIBBY	20070301	1,206	M	5	232
PRG	1	PRINTER-ARNETTE ST	20070321	570	M	5	109
PRG	1	OFFICE FURNITURE-CHRIS	20070507	400	M	5	77
PRG	1	COMPUTER-JAN DEVELOPMENT	20071108	600	M	5	115
PRG	1	COMPUTER-JULIE K	20070425	619	M	5	119
PRG	1	COMPUTERS-REHAB (TS, LN, SS	20070701	1,759	M	5	338

Next Year's Depreciation

2008

Name							FEIN	
SPECIAL KIDS INC							62-1718638	
Form	Multi-Form	Description	Date	Basis	Method	Life	Deduction	
PRG	1	REHAB MEDICAL-E-1 HEATIN	20070901	260	M	7	45	
PRG	1	TODDLER CHAIR	20070901	422	M	7	74	
PRG	1	SECURITY LIGHTS	20080331	2,068	SL	7	295	
PRG	1	OFFICE RENOVATION ANNEX(20080630	16,232	SL	15	1,082	
PRG	1	COMPUTER FOR SPEECH DEPT	20080215	1,599	SL	5	320	
PRG	1	SAVIN COPY MACHINE	20080331	2,725	SL	7	389	
PRG	1	CRIB&ACCESSORIES	20080124	3,113	SL	7	445	
PRG	1	LAPTOP FOR KERRY	20080818	1,423	SL	5	285	
PRG	1	PEAVEY ESCORT 2000 PORTA	20080929	500	SL	7	71	
PRG	1	ACER COMPUTER(CLAUDIA)	20080930	524	SL	5	105	
PRG	1	ACER COMPUTER(PAM)	20080930	524	SL	5	105	
PRG	1	QUICKBOOKS 2008 SOFTWARE	20080304	850	SL	3	283	
PRG	1	LYTEC SOFTWARE 2008 UPGR	20080605	4,835	SL	3	1,612	
MGT	1	LAND 202 ARNETTE STREET	20070215		NDA	0		
		TOTAL					26,810	

H A BEASLEY AND COMPANY CPAS PC
237 W NORTHFIELD, SUITE 102
MURFREESBORO TN, TN 37129
(615) 895-5675
ha@habeasley.com

Special Kids Inc
 202 Arnette Street
 Murfreesboro, TN 37130

Invoice Date: 06/08/2009
 Phone : 615-867-5090

For professional services rendered in connection with the preparation
 of your 2008 exempt organization tax return.

Description of Charges	Price
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Federal and Supplemental Forms

Form 990 - Return of Org Exempt from Income Tax Page 1	\$
Form 990 - Return of Org Exempt from Income Tax Page 2	
Form 990 - Return of Org Exempt from Income Tax Page 3	
Form 990 - Return of Org Exempt from Income Tax Page 4	
Form 990 - Return of Org Exempt from Income Tax Page 5	
Form 990 - Return of Org Exempt from Income Tax Page 6	
Form 990 - Return of Org Exempt from Income Tax Page 7	
Form 990 - Return of Org Exempt from Income Tax Page 8	
Form 990 - Return of Org Exempt from Income Tax Page 9	
Form 990 - Return of Org Exempt from Income Tax Page 10	
Form 990 - Return of Org Exempt from Income Tax Page 11	
Form 4562 - Depreciation and Amortization	
-	
-	
-	
Next Year Depr - Next Year Depreciation Schedule	
Next Year Depr - Next Year Depreciation Schedule	
Attachment - Itemized Listing Attachment	
Attachment - Itemized Listing Attachment	
Schedule A - Organization Exempt Under Sec 501(c) (3) pg 1	
Schedule A - Organization Exempt Under Sec 501(c) (3) pg 2	
Schedule A - Organization Exempt Under Sec 501(c) (3) pg 3	
Schedule B - Schedule of Contributors Page 1	
Schedule B - Schedule of Contributors Page 2	
Schedule B - Schedule of Contributors Page 2	
Schedule B - Schedule of Contributors Page 2	
Schedule B - Schedule of Contributors Page 2	
Schedule C - Political Campaign and Lobbying Page 1	
Schedule C - Political Campaign and Lobbying Page 2	
Schedule C - Political Campaign and Lobbying Page 3	
Schedule D - Supplemental Financial Statement Page 1	
Schedule D - Supplemental Financial Statement Page 2	
Schedule D - Supplemental Financial Statement Page 3	
Schedule D - Supplemental Financial Statement Page 4	
Schedule G - Fundraising and Gaming Activities Page 1	
Schedule G - Fundraising and Gaming Activities Page 2	
Schedule O - Supplemental Information Page 1	
-	

Special Kids Inc
Invoice Date: 06/08/2009
Phone : 615-867-5090

Description of Charges		Price
Depr Sch	- Federal Depreciation Schedule	\$
Depr Sch	- Federal Depreciation Schedule	
Depr Sch	- Federal Depreciation Schedule	
Depr Sch	- Federal Depreciation Schedule	
Total Forms : 42		Subtotal 0.00
		Total Due 0.00

Thank you for allowing us to serve you! We look forward to seeing you again.

990

Tax Exempt
Diagnostic Summary

2008

Name
SPECIAL KIDS INC

Employer Identification #
62-1718638

Demographics

Mailing Address:
202 ARNETTE STREET
MURFREESBORO, TN 37130

Phone: (615) 867-5090

Resident State: TN

Diagnostics

Preparer: H A BEASLEY

Invoice:

Date: 06-08-2009

Return Information

Item on Return	2008 Federal	2007 Federal (If available)
Total Revenue	1,498,730	1,516,098
Total Expenses	1,614,417	1,529,525
Net Excess (Deficit)	(115,687)	(13,427)
Net Assets or Fund Balances	710,217	825,903

State/City Information

<u>State/City</u>	<u>Taxable Revenue</u>	<u>Total Expenses</u>	<u>Change Fund Balance</u>	<u>UBIT</u>	<u>Total Tax</u>	<u>Refund/ (Balance Due)</u>
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**SCHEDULE O
(Form 990)**

Supplemental Information to Form 990

OMB No. 1545-0047

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
Name of the organization

SPECIAL KIDS INC

Employer identification number

62-1718638

01. Form 990 governing body review (Part VI, line 10)

GOVERNING BODY REVIEWS AND APPROVES FORM 990 BEFORE IT IS SIGNED AND SENT TO THE IRS.

02. Conflict of interest policy compliance (Part VI, line 12c)

THE BOARD COMPLIES WITH ITS PRE-ESTABLISHED CONFLICT OF INTEREST POLICY. ALL BOARD MEMBERS MUST DISCLOSE ANY RELATIONSHIPS THAT MAY CONFLICT WITH THE ORGANIZATION.

03. CEO, executive director, top management comp (Part VI, line 15a)

GOVERNING BODY APPROVES SALARY AND SALARY CHANGES FOR THE EXECUTIVE DIRECTOR.

04. Other officer or key employee compensation (Part VI, line 15b)

GOVERNING BODY APPROVES SALARY AND SALARY CHANGES FOR ALL KEY EMPLOYEE COMPENSATION.

05. Governing documents, etc, available to public (Part VI, line 19)

ANNUAL REPORTS AND CHARITABLE SOLICITATIONS ARE AVAILABLE TO THE PUBLIC.

June 08, 2009

Special Kids Inc
202 Arnette Street
Murfreesboro, TN 37130

Subject: Preparation of 2008 Tax Returns

Special Kids Inc:

Thank you for choosing H A BEASLEY AND COMPANY CPAS PC to assist with the 2008 taxes for Special Kids Inc. This letter confirms the terms of the engagement and outlines the nature and extent of the services we will provide.

We will prepare the 2008 federal and state income tax returns for Special Kids Inc. We will depend on management to provide the information we need to prepare complete and accurate returns. We may ask management to clarify some items but will not audit or otherwise verify the data submitted.

We will perform accounting services only as needed to prepare the tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for management to clarify some of the information submitted. We will, of course, inform management of any material errors, fraud, or other illegal acts we discover.

The law imposes penalties when taxpayers underestimate their tax liability. Please call us if there are any concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on the behalf of Special Kids Inc, the alternative selected by management.

Our fee will be based on the time required at standard billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

We will return the original records to management at the end of this engagement. These records, along with all supporting documents, canceled checks, etc., should be securely stored, as these items may later be needed to prove accuracy and completeness of a return. We will retain copies of the records and our work papers for the engagement for seven years, after which these documents will be destroyed.

Our engagement to prepare the 2008 tax returns will conclude with the delivery of the completed returns to management (if paper filing) or the signing by the tax matters partner, and the subsequent submittal, of the tax return (if e-filing). If management has not selected to e-file the returns with our office, management will be solely responsible to file the returns with the appropriate taxing authorities. The tax matters partner should review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes the arrangements for this work, please sign the enclosed copy of this letter in the

space indicated and return it to us in the envelope provided.

We appreciate your confidence in us. Please call if you have questions.

Sincerely,

H A Beasley

Accepted By:

Officer

Date

990EF

EF Transmission Status

2008

(Keep for your records)

Name(s) as shown on return

Your EIN

SPECIAL KIDS INC

62-1718638

The following will be transmitted to the IRS.

990 8868

The following State(s) will be transmitted.

***** Electronic Filing Notes *****
'Do NOT send Federal' has been selected on the EF Selection Screen
'Do NOT send any states' has been selected on the EF Selection Screen
Require 'Ready for EF' is checked in EF Setup but not on the return.

June 08, 2009

Special Kids Inc
202 Arnette Street
Murfreesboro, TN 37130

We value you as our client, and your privacy is important to us. Please read our privacy policy below.

We collect nonpublic personal information about you from various sources, including the following:

- * Information we receive from interviews regarding your tax situation;
- * Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security number, dependents, income, and other tax-related data; and
- * Information from tax-related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions, etc.

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to nonpublic personal information concerning you, except to employees who need access to such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

If you have any questions about our privacy policy, please contact us.

Sincerely,

H A Beasley
H A BEASLEY AND COMPANY CPAS PC

June 08, 2009

Special Kids Inc
202 Arnette Street
Murfreesboro, TN 37130

Special Kids Inc:

Enclosed is the 2008 federal return for a tax-exempt organization, prepared for Special Kids Inc from the information provided. The original should be signed, dated, and mailed on or before May 15, 2009, to the following address:

Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0027

The organization's federal return reflects neither a refund nor a balance due.

Thank you for the opportunity to be of service. For further assistance with your tax needs, please do not hesitate to contact this office at (615)895-5675.

Sincerely,

H A Beasley