

**Return of Organization Exempt from Income Tax**

OMB No. 1545-0047

**2003****Open to Public Inspection**Department of the Treasury  
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

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

**A For the 2003 calendar year, or tax year beginning** 9/01, **2003, and ending** 8/31, **2004****B Check if applicable:**

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

Please use  
IRS label  
or print  
or type.  
See  
specific  
instruc-  
tions.EASTER SEALS TENNESSEE, INC.  
2001 WOODMONT BLVD.  
NASHVILLE, TN 37215**D Employer Identification Number**

62-0504893

**E Telephone number**

615-292-6640

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

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**G Web site:** ▶ WWW.TN.EASTER-SEALS.ORG**J Organization type**(check only one) ▶ ☒ 501(c) 3 (insert no.) ☐ 4947(a)(1) or ☐ 527**K Check here** ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 9,327,460.

H and I are not applicable to section 527 organizations.

**H (a)** Is this a group return for affiliates? . . . ☐ Yes ☒ No**H (b)** If "Yes," enter number of affiliates. ▶**H (c)** Are all affiliates included? . . . ☐ Yes ☐ No  
(If "No," attach a list. See instructions.)**H (d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I Group Exemption Number.** ▶**M Check** ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See instructions)

<b>1 Contributions, gifts, grants, and similar amounts received:</b>				
<b>a Direct public support.</b>	<b>1a</b>	1,429,850.		
<b>b Indirect public support.</b>	<b>1b</b>	139,611.		
<b>c Government contributions (grants).</b>	<b>1c</b>	4,904,389.		
<b>d Total (add lines 1a through 1c) (cash \$ 6,193,400. noncash \$ 280,450.)</b>	<b>1d</b>		6,473,850.	
<b>2 Program service revenue including government fees and contracts (from Part VII, line 93)</b>	<b>2</b>		2,080,037.	
<b>3 Membership dues and assessments.</b>	<b>3</b>		141,352.	
<b>4 Interest on savings and temporary cash investments.</b>	<b>4</b>			
<b>5 Dividends and interest from securities.</b>	<b>5</b>		208.	
<b>6a Gross rents.</b>	<b>6a</b>	215,521.		
<b>b Less: rental expenses.</b>	<b>6b</b>	222,179.		
<b>c Net rental income or (loss) (subtract line 6b from line 6a).</b>	<b>6c</b>		-6,658.	
<b>7 Other investment income (describe. . . . .)</b>	<b>7</b>			
<b>8a Gross amount from sales of assets other than inventory.</b>	(A) Securities	239,697.	8a	(B) Other
<b>b Less: cost or other basis and sales expenses.</b>		238,051.	8b	350.
<b>c Gain or (loss) (attach schedule).</b>	STATEMENT. 1	1,646.	8c	850.
<b>d Net gain or (loss) (combine line 8c, columns (A) and (B)).</b>	<b>8d</b>			2,496.
<b>9 Special events and activities (attach schedule). If any amount is from gaming, check here. . . . .</b>				
<b>a Gross revenue (not including \$ 174,083. of contributions reported on line 1a).</b>	<b>9a</b>	162,883.		
<b>b Less: direct expenses other than fundraising expenses.</b>	<b>9b</b>	86,359.		
<b>c Net income or (loss) from special events (subtract line 9b from line 9a).</b>	<b>9c</b>			76,524.
<b>10a Gross sales of inventory, less returns and allowances.</b>	<b>10a</b>			
<b>b Less: cost of goods sold.</b>	<b>10b</b>			
<b>c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a).</b>	<b>10c</b>			
<b>11 Other revenue (from Part VII, line 103).</b>	<b>11</b>			12,712.
<b>12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11).</b>	<b>12</b>			8,780,521.
<b>13 Program services (from line 44, column (B)).</b>	<b>13</b>			8,336,237.
<b>14 Management and general (from line 44, column (C)).</b>	<b>14</b>			491,980.
<b>15 Fundraising (from line 44, column (D)).</b>	<b>15</b>			461,089.
<b>16 Payments to affiliates (attach schedule).</b>	<b>16</b>			143,931.
<b>17 Total expenses (add lines 16 and 44, column (A)).</b>	<b>17</b>			9,433,237.
<b>18 Excess or (deficit) for the year (subtract line 17 from line 12).</b>	<b>18</b>			-652,716.
<b>19 Net assets or fund balances at beginning of year (from line 73, column (A)).</b>	<b>19</b>			263,199.
<b>20 Other changes in net assets or fund balances (attach explanation).</b>	<b>20</b>			
<b>21 Net assets or fund balances at end of year (combine lines 18, 19, and 20).</b>	<b>21</b>			-389,517.

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23	Specific assistance to individuals (att sch) . S.T. 4	23	137,056.	137,056.	
24	Benefits paid to or for members (att sch) .	24			
25	Compensation of officers, directors, etc .	25	285,675.	268,857.	1,456.
26	Other salaries and wages .	26	5,499,228.	5,170,672.	300,118.
27	Pension plan contributions .	27	67,949.	63,875.	3,721.
28	Other employee benefits .	28	346,091.	325,423.	1,789.
29	Payroll taxes .	29	505,194.	475,007.	2,613.
30	Professional fundraising fees .	30			
31	Accounting fees .	31			
32	Legal fees .	32			
33	Supplies .	33	175,738.	166,536.	820.
34	Telephone .	34	58,975.	56,846.	144.
35	Postage and shipping .	35	21,480.	14,412.	939.
36	Occupancy .	36	81,090.	81,090.	
37	Equipment rental and maintenance .	37	82,076.	74,441.	2,698.
38	Printing and publications .	38	45,119.	28,735.	935.
39	Travel .	39	173,798.	168,030.	1,432.
40	Conferences, conventions, and meetings .	40	11,901.	9,017.	162.
41	Interest .	41	335,431.		335,431.
42	Depreciation, depletion, etc (attach schedule) .	42	461,782.	404,352.	44,250.
43	Other expenses not covered above (itemize):				
a	SEE STATEMENT 5	43a	1,000,723.	891,888.	70,520.
b		43b			
c		43c			
d		43d			
e		43e			
44	Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15 .	44	9,289,306.	8,336,237.	491,980.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_.

**Part III Statement of Program Service Accomplishments**What is the organization's primary exempt purpose? **PROVIDE SERVICE TO THE DISABLED**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) &amp; (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants &amp; allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)

a	SEE ATTACHED STATEMENT		
	(Grants and allocations \$ _____)		8,336,237.
b			
	(Grants and allocations \$ _____)		
c			
	(Grants and allocations \$ _____)		
d			
	(Grants and allocations \$ _____)		
e	Other program services .	(Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services) .		8,336,237.

**Part IV Balance Sheets** (See Instructions)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	<b>45</b> Cash — non-interest-bearing.....	46,753.	<b>45</b>	131,101.
	<b>46</b> Savings and temporary cash investments.....		<b>46</b>	43,090.
	<b>47a</b> Accounts receivable.....	<b>47a</b> 128,443.		
	<b>b</b> Less: allowance for doubtful accounts.....	<b>47b</b> 3,535.	22,717.	<b>47c</b> 124,908.
	<b>48a</b> Pledges receivable.....	<b>48a</b> 472,217.		
	<b>b</b> Less: allowance for doubtful accounts.....	<b>48b</b> 7,533.	589,492.	<b>48c</b> 464,684.
	<b>49</b> Grants receivable.....	479,837.	<b>49</b>	460,692.
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule).....		<b>50</b>	
	<b>51a</b> Other notes & loans receivable (attach sch).....	<b>51a</b>		
	<b>b</b> Less: allowance for doubtful accounts.....	<b>51b</b>		<b>51c</b>
	<b>52</b> Inventories for sale or use.....		<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges.....	18,058.	<b>53</b>	26,969.
	<b>54</b> Investments — securities (attach schedule).. <b>SEE ST. 6.</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		<b>54</b>	222,500.
	<b>55a</b> Investments — land, buildings, & equipment: basis.....	<b>55a</b>		
	<b>b</b> Less: accumulated depreciation (attach schedule).....	<b>55b</b>		<b>55c</b>
<b>56</b> Investments — other (attach schedule).....		<b>56</b>		
<b>57a</b> Land, buildings, and equipment: basis.....	<b>57a</b> 11,362,770.			
<b>b</b> Less: accumulated depreciation (attach schedule).. <b>STATEMENT 7</b> .....	<b>57b</b> 2,886,557.	8,849,021.	<b>57c</b> 8,476,213.	
<b>58</b> Other assets (describe ► <b>SEE STATEMENT 8</b> ).....	408,170.	<b>58</b>	481,802.	
<b>59</b> <b>Total assets</b> (add lines 45 through 58) (must equal line 74).....	10,414,048.	<b>59</b>	10,431,959.	
<b>LIABILITIES</b>	<b>60</b> Accounts payable and accrued expenses.....	1,065,813.	<b>60</b>	1,175,590.
	<b>61</b> Grants payable.....		<b>61</b>	
	<b>62</b> Deferred revenue.....	385,437.	<b>62</b>	371,350.
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule).....		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule).....		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule).. <b>SEE STATEMENT 9</b> .....	8,072,185.	<b>64b</b>	8,979,624.
	<b>65</b> Other liabilities (describe ► <b>SEE STATEMENT 10</b> ).....	627,414.	<b>65</b>	294,912.
<b>66</b> <b>Total liabilities</b> (add lines 60 through 65).....	10,150,849.	<b>66</b>	10,821,476.	
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 67 through 69 and lines 73 and 74.</b>			
	<b>67</b> Unrestricted.....	-336,447.	<b>67</b>	-864,151.
	<b>68</b> Temporarily restricted.....	599,646.	<b>68</b>	474,634.
	<b>69</b> Permanently restricted.....		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 70 through 74.</b>			
	<b>70</b> Capital stock, trust principal, or current funds.....		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund.....		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds.....		<b>72</b>	
	<b>73</b> <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) <b>must</b> equal line 19; column (B) <b>must</b> equal line 21).....	263,199.	<b>73</b>	-389,517.
	<b>74</b> <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73).....	10,414,048.	<b>74</b>	10,431,959.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements .....	<b>a</b>	9,003,704.
<b>b</b>	Amounts included on line <b>a</b> but not on line 12, Form 990:		
(1)	Net unrealized gains on investments ..... \$		
(2)	Donated services and use of facilities ..... \$ 1,004.		
(3)	Recoveries of prior year grants ..... \$		
(4)	Other (specify):		
	SEE STM 11 \$ 222,179.		
	Add amounts on lines (1) through (4) .....	<b>b</b>	223,183.
<b>c</b>	Line <b>a</b> minus line <b>b</b> .....	<b>c</b>	8,780,521.
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990. .... \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) ..	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> ) .....	<b>e</b>	8,780,521.

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

<b>a</b>	Total expenses and losses per audited financial statements .....	<b>a</b>	9,656,420.
<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Donated services and use of facilities ..... \$ 1,004.		
(2)	Prior year adjustments reported on line 20, Form 990. .... \$		
(3)	Losses reported on line 20, Form 990. .... \$		
(4)	Other (specify):		
	SEE STMT 12 \$ 222,179.		
	Add amounts on lines (1) through (4) .....	<b>b</b>	223,183.
<b>c</b>	Line <b>a</b> minus line <b>b</b> .....	<b>c</b>	9,433,237.
<b>d</b>	Amounts included on line 17, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990. .... \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) ..	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> ) .....	<b>e</b>	9,433,237.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 13				
		285,675.	3,741.	18,979.

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? .....

☐ Yes

☒ No

If 'Yes,' attach schedule — see instructions.

**Part VI Other Information** (See instructions.)

	Yes	No
<b>76</b> Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.	<b>76</b>	X
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	<b>77</b>	X
<b>78a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>	X
<b>b</b> If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?	<b>78b</b>	X
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.	<b>79</b>	X
<b>80a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	<b>80a</b>	X
<b>b</b> If 'Yes,' enter the name of the organization <b>N/A</b> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
<b>81a</b> Enter direct and indirect political expenditures. See line 81 instructions.	<b>81a</b>	0.
<b>b</b> Did the organization file <b>Form 1120-POL</b> for this year?	<b>81b</b>	X
<b>82a</b> Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>	X
<b>b</b> If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	<b>82b</b>	1,004.
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	X
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	X
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>	X
<b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>	N/A
<b>85 501(c)(4), (5), or (6) organizations. a</b> Were substantially all dues nondeductible by members?	<b>85a</b>	N/A
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	<b>85b</b>	N/A
<b>c</b> Dues, assessments, and similar amounts from members.	<b>85c</b>	N/A
<b>d</b> Section 162(e) lobbying and political expenditures.	<b>85d</b>	N/A
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.	<b>85e</b>	N/A
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e).	<b>85f</b>	N/A
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>	N/A
<b>h</b> If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>	N/A
<b>86 501(c)(7) organizations. Enter: a</b> Initiation fees and capital contributions included on line 12.	<b>86a</b>	N/A
<b>b</b> Gross receipts, included on line 12, for public use of club facilities.	<b>86b</b>	N/A
<b>87 501(c)(12) organizations. Enter: a</b> Gross income from members or shareholders.	<b>87a</b>	N/A
<b>b</b> Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>87b</b>	N/A
<b>88</b> At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.	<b>88</b>	X
<b>89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911</b> 0. ; <b>section 4912</b> 0. ; <b>section 4955</b> 0.		
<b>b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.</b>	<b>89b</b>	X
<b>c</b> Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		0.
<b>d</b> Enter: Amount of tax on line 89c, above, reimbursed by the organization.		0.
<b>90a</b> List the states with which a copy of this return is filed <b>NONE</b>		
<b>b</b> Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	<b>90b</b>	260
<b>91</b> The books are in care of <b>DON IRELAND</b> Telephone number <b>615-292-6640</b> Located at <b>2001 WOODMONT BLVD., NASHVILLE, TN</b> ZIP + 4 <b>37215</b>		
<b>92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here.</b> N/A <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year.	<b>92</b>	N/A

**Part VII Analysis of Income-Producing Activities** (See instructions.)

**Note:** Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a CAMP FEES					63,622.
b CONTRACT SERVICES					345,007.
c PROGRAM SERVICE FEES					1,571,681.
d WORKSHOP REVENUE					99,727.
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					141,352.
95 Interest on savings & temporary cash invmnts.					
96 Dividends & interest from securities			14	208.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	531190	-14,991.	16	8,333.	
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	2,496.	
101 Net income or (loss) from special events			1	76,524.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b MISCELLANEOUS					12,712.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		-14,991.		87,561.	2,234,101.
105 Total (add line 104, columns (B), (D), and (E))					2,306,671.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93-103	THE INCOME OF THE SOCIETY IS USED TO ASSIST AND DEVELOP SERVICES FOR PERSONS WITH DISABILITIES TO FIND AND MAKE EFFECTIVE USE OF RESOURCES WHICH WILL BE HELPFUL TO THEM IN DEVELOPING THEIR ABILITIES AND LIVING PURPOSEFUL LIVES.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions.)

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

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

**Note:** If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

**Please Sign Here**

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

Signature of officer: Don W. Ireland, EVP/CFO Date: 2/28/05

**Paid Preparer's Use Only**

Preparer's signature: Ste Ray CPA Date: 2-27-05

Firm's name (or yours if self-employed) address, and ZIP + 4: FRASIER, DEAN & HOWARD, PLLC  
3310 WEST END AVENUE, STE. 550  
NASHVILLE, TN 37203

Check if self-employed: ☐ Preparer's SSN or PTIN (see General Instruction W): N/A

EIN: N/A Phone no.: (615) 383-6592

**SCHEDULE A**  
**(Form 990 or 990-EZ)**Department of the Treasury  
Internal Revenue Service**Organization Exempt Under**  
**Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No. 1545-0047

**2003**

Name of the organization

**EASTER SEALS TENNESSEE, INC.**

Employer identification number

**62-0504893****Part I****Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
<u>LAURA TEMPLE</u> ----- NASHVILLE, TN 37206	40	59,006.	773.	3,920.
<u>MARY EPPERT</u> ----- NASHVILLE, TN 37205	40	57,844.	757.	3,843.
<u>PAULA JENNINGS</u> ----- WILDERSVILLE, TN 38388	40	62,307.	816.	4,139.
<u>MARCELLINE POIRIER</u> ----- ----- -----	40	58,240.	763.	3,869.
<u>MARY GARDNER</u> ----- NASHVILLE, TN 37215	40	62,500.	818.	4,152.
Total number of other employees paid over \$50,000 .....	6			

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

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>DON IRELAND</u> ----- FRANKLIN, TN 37069	FINANCIAL	110,462.
----- ----- ----- ----- ----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services .....	0	

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

Schedule A (Form 990 or 990-EZ) 2003

**Part III** Statements About Activities (See instructions.)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . . <b>\$ N/A</b> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
SEE FORM 990, PART V		
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
<b>e</b> Transfer of any part of its income or assets?		X
<b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)		X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>4</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

**Part IV** Reason for Non-Private Foundation Status (See instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

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

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

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

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



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in).....▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	5,805,608.	2,297,487.	2,201,845.	1,288,197.	11,593,137.
<b>16</b> Membership fees received.....	134,453.	115,867.	100,034.	58,645.	408,999.
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose.....	1,386,220.	4,186,237.	3,649,101.	2,787,965.	12,009,523.
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.....	112,833.	220,977.	212,155.	184,668.	730,633.
<b>19</b> Net income from unrelated business activities not included in line 18.....					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.....					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.....					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. SEE STMT. 14.....	25,577.	57,973.	40,245.	31,489.	155,284.
<b>23</b> Total of lines 15 through 22.....	7,464,691.	6,878,541.	6,203,380.	4,350,964.	24,897,576.
<b>24</b> Line 23 minus line 17.....	6,078,471.	2,692,304.	2,554,279.	1,562,999.	12,888,053.
<b>25</b> Enter 1% of line 23.....	74,647.	68,785.	62,034.	43,510.	
<b>26 Organizations described on lines 10 or 11:</b>					
a Enter 2% of amount in column (e), line 24.....▶					<b>26a</b> 257,761.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.....▶					<b>26b</b> 3,040,613.
c Total support for section 509(a)(1) test: Enter line 24, column (e).....▶					<b>26c</b> 12,888,053.
d Add: Amounts from column (e) for lines:					
18 730,633. 19					
22 155,284. 26b 3,040,613.					<b>26d</b> 3,926,530.
e Public support (line 26c minus line 26d total).....▶					<b>26e</b> 8,961,523.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).....▶					<b>26f</b> 69.53 %
<b>27 Organizations described on line 12:</b> N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:					
(2002) _____ (2001) _____ (2000) _____ (1999) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:					
(2002) _____ (2001) _____ (2000) _____ (1999) _____					
c Add: Amounts from column (e) for lines:					
15 _____ 16 _____					
17 _____ 20 _____ 21 _____					<b>27c</b> _____
d Add: Line 27a total. .... and line 27b total. ....					<b>27d</b> _____
e Public support (line 27c total minus line 27d total).....▶					<b>27e</b> _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e).....▶					<b>27f</b> _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)).....▶					<b>27g</b> _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).....▶					<b>27h</b> _____ %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See instructions.)  
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....	31		
If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----				
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff? .....	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions? .....	32d		
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----				
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges? .....	33a		
b	Admissions policies? .....	33b		
c	Employment of faculty or administrative staff? .....	33c		
d	Scholarships or other financial assistance? .....	33d		
e	Educational policies? .....	33e		
f	Use of facilities? .....	33f		
g	Athletic programs? .....	33g		
h	Other extracurricular activities? .....	33h		
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----				
34a	Does the organization receive any financial aid or assistance from a governmental agency? .....	34a		
b	Has the organization's right to such aid ever been revoked or suspended? .....	34b		
If you answered 'Yes' to either 34a or b, please explain using an attached statement. -----				
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation. ....	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions.)  
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** ☐ if the organization belongs to an affiliated group. Check **b** ☐ if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	<b>36</b>													
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....	<b>37</b>													
<b>38</b> Total lobbying expenditures (add lines 36 and 37) .....	<b>38</b>													
<b>39</b> Other exempt purpose expenditures .....	<b>39</b>													
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) .....	<b>40</b>													
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table — <table><tr><td><b>If the amount on line 40 is —</b></td><td><b>The lobbying nontaxable amount is —</b></td></tr><tr><td>Not over \$500,000 .....</td><td>20% of the amount on line 40 .....</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></table>	<b>If the amount on line 40 is —</b>	<b>The lobbying nontaxable amount is —</b>	Not over \$500,000 .....	20% of the amount on line 40 .....	Over \$500,000 but not over \$1,000,000 .....	\$100,000 plus 15% of the excess over \$500,000 .....	Over \$1,000,000 but not over \$1,500,000 .....	\$175,000 plus 10% of the excess over \$1,000,000 .....	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 .....	<b>41</b>	
<b>If the amount on line 40 is —</b>	<b>The lobbying nontaxable amount is —</b>													
Not over \$500,000 .....	20% of the amount on line 40 .....													
Over \$500,000 but not over \$1,000,000 .....	\$100,000 plus 15% of the excess over \$500,000 .....													
Over \$1,000,000 but not over \$1,500,000 .....	\$175,000 plus 10% of the excess over \$1,000,000 .....													
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 .....													
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) .....	<b>42</b>													
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	<b>43</b>													
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	<b>44</b>													
<b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720.														

**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
See the instructions for lines 45 through 50.)

	<b>Lobbying Expenditures During 4-Year Averaging Period</b>				
<b>Calendar year (or fiscal year beginning in) ▶</b>	<b>(a) 2003</b>	<b>(b) 2002</b>	<b>(c) 2001</b>	<b>(d) 2000</b>	<b>(e) Total</b>
<b>45</b> Lobbying nontaxable amount .....					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....					
<b>47</b> Total lobbying expenditures .....					
<b>48</b> Grassroots non-taxable amount .....					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) .....					
<b>50</b> Grassroots lobbying expenditures .....					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	<b>Yes</b>	<b>No</b>	<b>Amount</b>
<b>a</b> Volunteers .....			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .) .....			
<b>c</b> Media advertisements .....			
<b>d</b> Mailings to members, legislators, or the public .....			
<b>e</b> Publications, or published or broadcast statements .....			
<b>f</b> Grants to other organizations for lobbying purposes .....			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....			
<b>i</b> Total lobbying expenditures (add lines <b>c</b> through <b>h</b> .) .....			

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

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

**a Transfers from the reporting organization to a noncharitable exempt organization of:**

		Yes	No
<b>a</b> Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51 a (i)		X
(ii) Other assets	a (ii)		X
<b>b</b> Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b (i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b (ii)		X
(iii) Rental of facilities, equipment, or other assets	b (iii)		X
(iv) Reimbursement arrangements	b (iv)		X
(v) Loans or loan guarantees	b (v)		X
(vi) Performance of services or membership or fundraising solicitations	b (vi)		X
<b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

[illegible]

**52a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

**b** If 'Yes,' complete the following schedule:

[illegible]

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**PUBLIC DISCLOSURE COPY**  
**Schedule of Contributors**

**Supplementary information for**  
**line 1 of Form 990, 990-EZ and 990-PF (see instructions)**

OMB No. 1545-0047

**2003**

**Name of organization**

**EASTER SEALS TENNESSEE, INC.**

**Employer identification number**

**62-0504893**

**Organization type** (check one):

**Filers of:**

Form 990 or 990-EZ

**Section:**

- ☒ 501(c)( 3 ) (enter number) organization  
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation  
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation  
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation  
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule — see instructions.)

**General Rule —**

- ☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules —**

- ☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ..... ► \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Name of organization

EASTER SEALS TENNESSEE, INC.

Employer identification number

62-0504893

**Part I** Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 227,990.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 221,600.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Employer identification number

62-0504893

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	5,350 SHS HCA STOCK		
		\$ 227,990.	12/23/03
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	2500 SHS CLASS B NID CORP STOCK		
		\$ 221,600.	7/31/04
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Schedule B (Form 990, 990-EZ, or 990-PF) (2003)

Employer identification number

62-0504893

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once – see instructions.)..... ▶ \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
_____	N/A		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee	
_____			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee	
_____			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee	
_____			
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee	



2003

## FEDERAL STATEMENTS

PAGE 1

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

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

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 239,697.  
 COST OR OTHER BASIS: 238,051.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 1,646.

OTHER ASSETS

DESCRIPTION: WORKSPORT TRAILER  
 DATE ACQUIRED: 10/11/2001  
 HOW ACQUIRED: PURCHASE  
 DATE SOLD: 2/29/2004  
 TO WHOM SOLD:  
 GROSS SALES PRICE: 1,200.  
 COST OR OTHER BASIS: 1,799.  
 DEPRECIATION: 1,449.

GAIN (LOSS) 850.

TOTAL GAIN (LOSS) OTHER ASSETS \$ 850.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 2,496.

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

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI- BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
MCWHORTER CDC EVENT	123,159.	76,212.	46,947.	8,459.	38,488.
CHRISTMAS ORNAMENT/OTHER	93,847.	37,593.	56,254.	33,506.	22,748.
NASHVILLIAN	92,035.	60,278.	31,757.	31,757.	0.
HERMITAGE GOLF- CDC	27,925.	0.	27,925.	12,637.	15,288.
TOTAL	<u>\$ 336,966.</u>	<u>\$ 174,083.</u>	<u>\$ 162,883.</u>	<u>\$ 86,359.</u>	<u>\$ 76,524.</u>

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

<u>NAME AND ADDRESS</u>	<u>PURPOSE OF PAYMENT</u>	<u>AMOUNT</u>
NATIONAL EASTER SEAL SOCIETY CHICAGO, ILLINOIS	NATIONAL PROGRAM FEE	\$ 143,931.
TOTAL		<u>\$ 143,931.</u>

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

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

DIRECT CASH ASSISTANCE.....	\$	2,191.
EQUIPMENT.....		188.
FOOD, SHELTER AND CLOTHING.....		33,887.
RESIDENTIAL GUARDIANSHIP.....		88,327.
SUBCONTRACT FOR TRANSPORTATION SERVICES.....		12,463.
<b>TOTAL</b>	<b>\$</b>	<b>137,056.</b>

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	22,098.	20,046.	42.	2,010.
BAD DEBT EXPENSE	50,450.	49,691.	3.	756.
BANK CHARGES	1,080.		870.	210.
BUILDING & GROUNDS MAINTENANCE	157,724.	150,056.	3,755.	3,913.
INSURANCE	198,934.	195,494.		3,440.
LATE FEES	10,433.	9,362.	863.	208.
LETTER OF CREDIT FEES	40,518.		40,518.	
LICENSES & FEES	9,979.	8,955.	825.	199.
MEMBERSHIP AND SUPPORT PAYMENTS	5,693.	4,246.	82.	1,365.
MISCELLANEOUS	9,171.	9,045.	101.	25.
PLANNED GIVING PROGRAM	12,895.			12,895.
PROFESSIONAL FEES	357,658.	325,676.	22,624.	9,358.
UTILITIES	124,090.	119,317.	837.	3,936.
<b>TOTAL</b>	<b>\$ 1000723.</b>	<b>\$ 891,888.</b>	<b>\$ 70,520.</b>	<b>\$ 38,315.</b>

**STATEMENT 6**  
**FORM 990, PART IV, LINE 54**  
**INVESTMENTS - SECURITIES**

CORPORATE STOCKS	VALUATION METHOD	AMOUNT
COMMON STOCK	MARKET VALUE	\$ 222,500.
<b>TOTAL</b>		<b>\$ 222,500.</b>

**TOTAL INVESTMENTS - SECURITIES \$ 222,500.**

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

**STATEMENT 7**  
**FORM 990, PART IV, LINE 57**  
**LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 723,703.	\$ 551,804.	\$ 171,899.
MACHINERY AND EQUIPMENT	1,244,050.	830,584.	413,466.
BUILDINGS	7,862,460.	1,504,169.	6,358,291.
LAND	1,532,557.		1,532,557.
<b>TOTAL</b>	<b>\$ 11,362,770.</b>	<b>\$ 2,886,557.</b>	<b>\$ 8,476,213.</b>

**STATEMENT 8**  
**FORM 990, PART IV, LINE 58**  
**OTHER ASSETS**

LOAN COSTS, NET.....	\$ 181,869.
REHABILITATION FEES, NET.....	299,933.
<b>TOTAL</b>	<b>\$ 481,802.</b>

**STATEMENT 9**  
**FORM 990, PART IV, LINE 64B**  
**MORTGAGES AND OTHER NOTES PAYABLE**

MORTGAGES PAYABLE	BALANCE DUE
FIFTH THIRD BANK	\$ 2,750,000.
SERTOMA	1,100,000.
<b>TOTAL MORTGAGES</b>	<b>\$ 3,850,000.</b>

**OTHER NOTES PAYABLE**

LENDER'S NAME:	FRANKLIN NATIONAL BANK	
DATE OF NOTE:	6/01/2001	
MATURITY DATE:	1/03/2005	
REPAYMENT TERMS:	INTEREST ONLY	
INTEREST RATE:	5.00%	
SECURITY PROVIDED:	FIXED ASSETS	
PURPOSE OF LOAN:	LINE OF CREDIT	
BALANCE DUE:		\$ 23,631.

LENDER'S NAME:	FIFTH THIRD BANK	
DATE OF NOTE:	7/13/2001	
MATURITY DATE:	1/03/2006	
REPAYMENT TERMS:	MONTHLY PAYMENTS OF \$13,712	
INTEREST RATE:	6.00%	
SECURITY PROVIDED:	EASTER SEALS ACCOUNTS	
ORIGINAL AMOUNT:	1,500,000.	
BALANCE DUE:		\$ 1,981,992.

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

**STATEMENT 9 (CONTINUED)**  
**FORM 990, PART IV, LINE 64B**  
**MORTGAGES AND OTHER NOTES PAYABLE**

OTHER NOTES PAYABLE

LENDER'S NAME:	BANK OF AMERICA	
DATE OF NOTE:	8/05/1999	
MATURITY DATE:	8/01/2019	
REPAYMENT TERMS:	INT MONTHLY; PRIN VARIOUS	
INTEREST RATE:	4.65%	
SECURITY PROVIDED:	PROP & EQUIP, PLEDGES, LOC	
PURPOSE OF LOAN:	VARIABLE RATE REVENUE BONDS	
DESC. OF CONSIDERATION:	CASH	
ORIGINAL AMOUNT:	2,500,000.	
BALANCE DUE:		\$ 2,425,000.

LENDER'S NAME:	FIRST BANK	
MATURITY DATE:	9/11/2005	
REPAYMENT TERMS:	INTEREST ONLY	
INTEREST RATE:	6.00%	
SECURITY PROVIDED:	ALL ASSETS	
BALANCE DUE:		\$ 699,001.

TOTAL OTHER NOTES PAYABLE \$ 5,129,624.

TOTAL \$ 8,979,624.

**STATEMENT 10**  
**FORM 990, PART IV, LINE 65**  
**OTHER LIABILITIES**

ACCRUED PENSION LIABILITY.....	\$ 294,912.
TOTAL	\$ 294,912.

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

RENTAL EXPENSES NETTED AGAINST INCOME.....	\$ 222,179.
TOTAL	\$ 222,179.

**STATEMENT 12**  
**FORM 990, PART IV-B, LINE B(4)**  
**OTHER AMOUNTS**

RENTAL EXPENSES NETTED AGAINST INCOME.....	\$ 222,179.
TOTAL	\$ 222,179.

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

**STATEMENT 13**  
**FORM 990, PART V**  
**LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ANNE C. BOATMAN NASHVILLE, TN	SECRETARY .5	\$ 0.	\$ 0.	\$ 0.
ALEX BUCHANAN NASHVILLE, TN	TREASURER .5	0.	0.	0.
MIKE CAMPBELL NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
DAWN BOLANGER NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
BETHANY CORRIERI NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
CAROL ENNIS FRANKLIN, TN	TRUSTEE .5	0.	0.	0.
EDDIE HALL NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
KENT HARRELL NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
TOM HARTSHORN GOODLETTSVILLE, TN	TRUSTEE .5	0.	0.	0.
AUBREY B. HARWELL, JR. NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
ASHLEY COTTRELL NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
PAGE HART NASHVILLE, TN	TRUSTEE .5	0.	0.	0.

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

## STATEMENT 13 (CONTINUED)

## FORM 990, PART V

## LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
LARRY KING NASHVILLE, TN	TRUSTEE .5	\$ 0.	\$ 0.	\$ 0.
PATSY TRIMBLE NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
LADY JACKSON NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
BEVERLY JONES LAFAYETTE, TN	TRUSTEE .5	0.	0.	0.
MARGARET KELLEY NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
BUDDY KILLEN NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
JAYNE PERKINS ASHLAND CITY, TN	CEO 40	109,038.	1,428.	7,244.
MICHELLE MCWHORTER NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
TRACY CHAPPELL ANTIOCH, TN	VP-DEVELOPMENT 40	83,176.	1,089.	5,526.
ERIC HAMNES NASHVILLE, TN	VP-REHAB SVCS 40	93,461.	1,224.	6,209.
ANNE NESBITT NASHVILLE, TN	TRUSTEE .5	0.	0.	0.
MATT STEINHAUER HENDERSONVILLE, TN	VICE PRESIDENT .5	0.	0.	0.

2003

## FEDERAL STATEMENTS

PAGE 7

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

## STATEMENT 13 (CONTINUED)

## FORM 990, PART V

## LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
MICHAEL YOPP	CHAIRMAN	\$ 0.	\$ 0.	\$ 0.
NASHVILLE, TN	.5			
	TOTAL	\$ 285,675.	\$ 3,741.	\$ 18,979.

## STATEMENT 14

## SCHEDULE A, PART IV-A, LINE 22

## OTHER INCOME

DESCRIPTION	(A) 2002	(B) 2001	(C) 2000	(D) 1999	(E) TOTAL
MISCELLANEOUS	\$ 25,577.	\$ 57,973.	\$ 40,245.	\$ 31,489.	\$ 155,284.
TOTAL	\$ 25,577.	\$ 57,973.	\$ 40,245.	\$ 31,489.	\$ 155,284.

**Easter Seals Tennessee, Inc.**  
**2003 Form 990, Part III, Statement of Program Service Accomplishments**  
**FEIN 62-0504893**

**Program list**

The Arthritis Pain Center at Easter Seals is a comprehensive program helping people reduce pain and slow the progression of arthritis, osteoporosis, and fibromyalgia. Our customized plans include physical therapy, occupational therapy, aquatics, education, and individual and group support. (Nashville)

Easter Seals Camp is a 100-acre camp on Old Hickory Lake in Mt. Juliet where children and adults with disabilities can enjoy recreational activities in a family-oriented environment that fosters self-reliance, resourcefulness and independence. (statewide)

Easter Seals Turner Family Center is a 19,000-square-foot facility equipped with state-of-the-art exercise equipment and staffed with fitness experts and rehabilitation therapists to help individuals address a wide range of needs from the maintenance of good health to temporary physical difficulties or more debilitating conditions, including arthritis, trauma, stroke, or spinal cord related disabilities. (Nashville)

Information and Referral assists individuals in locating appropriate services throughout the state of Tennessee. (statewide)

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

Pediatric Rehabilitation Services provides physical therapy, occupational therapy and speech and language pathology for children with special needs. Other services include hearing screenings, wheelchair evaluations, and special day camps. (Nashville)

Polio Heroes of Tennessee provides support services to individuals living with post-polio syndrome, the latent neuro-muscular effects of having had polio as a child or young adult. (statewide)

The Tennessee AgrAbility Project provides technical consultation and coordinates resources for farmers and agricultural workers with disabilities to return to a productive livelihood. (statewide)

West Tennessee Adult Services provides a wide range of programs that help adults with disabilities living in rural counties in west Tennessee live with greater independence. Based in Lexington, services include the following:

- Developmental Services teaches daily living and prevocational skills to adults with mental and physical disabilities. (Lexington)
- Family Support Services offers individuals with disabilities in a four-county area government-subsidized financial assistance to help with daily living and accommodations. (Lexington)



- Personal Social Adjustment Program provides personal and daily living skills to adults with developmental disabilities. (Lexington)
- Residential Services provides independent and semi-independent residential living opportunities for adults with cognitive and physical disabilities. (Lexington)
- State Rest Area facility off I-40 in Benton County is maintained by Easter Seals' staff. (Camden)
- Supported Employment provides job coaches and job training for adults with disabilities seeking employment in the community. (Lexington)
- Transitional Services gives high school students with disabilities job training to ease the transition from school into the workplace. (Lexington)
- Transportation Services provides transportation for clients to and from Easter Seals' program sites in Chester, Decatur, and Henderson Counties. (Lexington)
- Vocational Placement Services helps individuals with disabilities identify job opportunities and secure employment. (Lexington)
- Work Services is a training program that acquires contract from local manufacturers to teach clients assembly job skills. (Decaturville, Lexington)

2003

## FEDERAL SUPPLEMENTAL INFORMATION

PAGE 1

CLIENT 11060

EASTER SEALS TENNESSEE, INC.

62-0504893

2/24/05

01:49PM

DEPRECIATION EXPENSE  
990, PART II, LINE 42

DEPRECIATION IS CALCULATED USING THE STRAIGHT-LINE METHOD OVER THE ESTIMATED USEFUL LIVES OF THE ASSETS.

AUTOMOBILES	\$ 57,208
MACHINERY & EQUIPMENT	146,900
BUILDINGS	278,006
AMORTIZATION	12,000
	-----
TOTAL	\$ 494,114
LESS AMOUNT ALLOCATED TO RENTAL	(32,332)
	-----
TOTAL REPORTED ON LINE 42	\$ 461,782
	=====