

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)

2002

Department of the Treasury
Internal Revenue Service

Open to Public Inspection

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

A For the 2002 calendar year, or tax year beginning and ending

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

C Name of organization: **Tennessee Aquanum**
 Number and street (or P O box if mail is not delivered to street address): **P O Box 11048**
 Room/suite:
 City or town: **Chattanooga** State or country: **TN** ZIP + 4: **37401-2048**

D Employer identification number: **58-1837154**

E Telephone number: **423-265-0695**

F Accounting method: Cash Accrual
 Other (specify) _____

G Web site: **www.tnaqua.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: **16,297,457**

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 Enter 4-digit GEN: _____

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

Part I	Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)	
Revenue	1 Contributions, gifts, grants, and similar amounts received	
	a Direct public support	1a 99,388
	b Indirect public support	1b
	c Government contributions (grants)	1c 152,921
	d TOTAL (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d 252,309
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2 9,992,893
	3 Membership dues and assessments	3 809,965
	4 Interest on savings and temporary cash investments	4
	5 Dividends and interest from securities	5 590,547
	6 a Gross rents	6a
	b Less rental expenses	6b
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c 0
	7 Other investment income (describe _____)	7
8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
	8a	
	8b	
	8c 0	0
d Net gain or (loss) (combine line 8 columns (A) and (B))	8d 0	
9 Special events and activities (attach schedule)	a Gross revenue (not including contributions reported on line 1a) _____ of _____	9a
	b Less direct expenses other than fundraising expenses	9b
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c 0
10 a Gross sales of inventory, less returns and allowances	10a 3,597,882	
	b Less cost of goods sold	10b 1,538,219
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c 2,059,663
11 Other revenue (from Part VII, line 103)	11 1,053,861	
12 TOTAL REVENUE (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12 14,759,238	
Expenses	13 Program services (from line 44, column (B))	13 10,323,965
	14 Management and general (from line 44, column (C))	14 5,671,889
	15 Fundraising (from line 44, column (D))	15 0
	16 Payments to affiliates (attach schedule)	16
	17 TOTAL EXPENSES (add lines 16 and 44, column (A))	17 15,995,854
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18 -1,236,616
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19 39,899,202
	20 Other changes in net assets or fund balances (attach explanation)	20 -764,087
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21 37,898,499

NE 22

MAY 13 2003
POSTMARK DATE

JUN 02 '03
SCANNED
Revenue

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APR 15 2003
GODEN UT

Part IV Balance Sheets (See page 24 of the instructions)

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	105,880	45	134,851
	46 Savings and temporary cash investments	777,473	46	2,399,131
	47 a Accounts receivable	47a 807,998		
	b Less allowance for doubtful accounts	47b 0	640,687	47c 807,998
	48 a Pledges receivable	48a 1,241,500		
	b Less allowance for doubtful accounts	48b 1,000	1,954,424	48c 1,240,500
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50 0
	51 a Other notes and loans receivable (attach schedule)	51a 0		
	b Less allowance for doubtful accounts	51b 0	0	51c 0
	52 Inventories for sale or use		343,872	52 245,141
	53 Prepaid expenses and deferred charges		1,113,273	53 1,052,725
	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		13,522,818	54 13,219,983
	55 a Investments - land, buildings, and equipment basis	55a 0		
	b Less accumulated depreciation (attach schedule)	55b 0	0	55c 0
56 Investments - other (attach schedule)		0	56 0	
57 a Land, buildings, and equipment basis	57a 69,046,493			
b Less accumulated depreciation (attach schedule)	57b 22,833,393	44,775,249	57c 46,213,100	
58 Other assets (describe <input type="checkbox"/> Prepaid financing costs)		179,010	58 167,381	
59 TOTAL ASSETS (add lines 45 through 58) (must equal line 74)		63,412,686	59 65,480,809	
Liabilities	60 Accounts payable and accrued expenses	1,073,728	60	959,653
	61 Grants payable		61	
	62 Deferred revenue	698,035	62	936,201
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)	19,500,000	64a	19,500,000
	b Mortgages and other notes payable (attach schedule)	1,886,442	64b	5,833,790
	65 Other liabilities (describe <input type="checkbox"/> Interest rate swap payable)	355,279	65	352,666
66 TOTAL LIABILITIES (add lines 60 through 65)		23,513,484	66 27,582,310	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	39,602,612	67	37,656,634
	68 Temporarily restricted	296,590	68	241,865
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 TOTAL NET ASSETS OR FUND BALANCES (add lines 67 through 69 OR lines 70 through 72, column (A) MUST equal line 19, column (B) MUST equal line 21)	39,899,202	73	37,898,499	
74 TOTAL LIABILITIES AND NET ASSETS / FUND BALANCES (add lines 66 and 73)	63,412,686	74	65,480,809	

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

Part VI Other Information (See page 27 of the instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on FORM 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	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?	X	
b	If "Yes," enter the name of the organization <u>Tennessee Aquarium Research Institute</u>		
and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt			
81 a	Enter direct or indirect political expenditures See line 81 instructions		
81a	0		
b	Did the organization file FORM 1120-POL for this year?		X
82 a	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?	X	
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
82b	117,000		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
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		
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85f	0		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
85h			
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
86a			
b	Gross receipts, included on line 12, for public use of club facilities		
86b			
87	501(c)(12) orgs Enter a Gross income from members or shareholders		
87a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
87b			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90 a	List the states with which a copy of this return is filed <u>Tennessee</u>		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	258
91	The books are in care of <u>Gordon Stalans</u> Telephone no <u>423-785-2054</u> Located at <u>210 Chestnut Street</u> ZIP + 4 <u>37402</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of FORM 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a General Admissions					8,658,268
b Education Groups					1,155,487
c Education Program Fees					179,138
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					809,965
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	590,547	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory	453220	370,317			1,689,346
103 Other revenue					
a Facility rental	531120	135,861			
b Administrative services	541610	143,600			
c Parking					406,410
d Sponsorship income					312,658
e Miscellaneous income					55,332
104 Subtotal (add columns (B), (D), and (E))		649,778		590,547	13,268,604
105 TOTAL (add line 104, columns (B), (D), and (E))					14,506,929

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	See attached schedule

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

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

Note: If "Yes" to (b), file Form 8870 AND Form 4720 (see instructions)

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

Please [Signature] Date 5/8/2003 Director of Finance

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

2002

Name of the organization Tennessee Aquarium	Employer identification number 58-1837154
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Jackson C Andrews 4831 Rolling Meadows Lane Signal Mountain, TN 37377	Director of Husbandry and Operations 40 hours	110,290	7,720	0
Gordon A Stalans 2607 Oak Ridge Drive Rocky Face, GA 30740	Director of Finance and MIS 40 hours	108,075	7,565	0
Cynthia D Todd 8505 Brandermill Lane Chattanooga, TN 37421	Director of Marketing 40 hours	92,033	6,442	0
Judith B Powell 1721 Auburndale Avenue Chattanooga, TN 37405	Director of Retail Sales 40 hours	92,870	6,431	0
Don Walker 5312 Inlet View Lane Hixson, TN 37343	Director of Guest Services 40 hours	81,810	5,727	0
Total number of other employees paid over \$50,000	12			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None over \$50,000		
Total number of others receiving over \$50,000 for professional services		

Part III Statements About Activities (See page 2 of the instructions)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) 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.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	X	
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc? (See NOTE below)		X
4	Do you have a section 403(b) annuity plan for your employees?	X	
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.			

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) ENTER THE HOSPITAL'S NAME, CITY, AND STATE
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the SUPPORT SCHEDULE in Part IV-A)
- 11 a 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)
- 11 b A community trust Section 170(b)(1)(A)(vi) (Also complete the SUPPORT SCHEDULE in Part IV-A)
- 12 An organization that normally receives (1) MORE THAN 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) NO MORE THAN 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the SUPPORT SCHEDULE in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

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

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

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) USE CASH METHOD OF ACCOUNTING

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	33,482	0	70,775	864,454	968,711
16 Membership fees received	864,680	875,250	878,760	883,075	3,501,765
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	13,320,420	13,941,877	13,367,577	13,942,147	54,572,021
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,523,954	2,088,780	1,601,768	1,492,273	6,706,775
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	228,940	256,624	117,582	111,318	714,464
23 Total of lines 15 through 22	15,971,476	17,162,531	16,036,462	17,293,267	66,463,736
24 Line 23 minus line 17	2,651,056	3,220,654	2,668,885	3,351,120	11,891,715
25 Enter 1% of line 23	159,715	171,625	160,365	172,933	

26 ORGANIZATIONS DESCRIBED ON LINES 10 OR 11 a Enter 2% of amount in column (e), line 24	26a	237,834
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 1998 through 2001 exceeded the amount shown in line 26a. DO NOT FILE THIS LIST WITH YOUR RETURN. Enter the total of all these excess amounts.	26b	0
c Total support for section 509(a)(1) test. Enter line 24, column (e).	26c	11,891,715
d Add Amounts from column (e) for lines 18 <u>6,706,775</u> 19 <u>0</u>	26d	7,421,239
22 <u>714,464</u> 26b <u>0</u>	26e	4,470,476
e Public support (line 26c minus line 26d total)	26e	4,470,476
f PUBLIC SUPPORT PERCENTAGE (LINE 26E (NUMERATOR) DIVIDED BY LINE 26C (DENOMINATOR))	26f	37.59%

27 ORGANIZATIONS DESCRIBED ON LINE 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." DO NOT FILE THIS LIST WITH YOUR RETURN. Enter the sum of such amounts for each year:

(2001) _____ (2000) _____ (1999) _____ (1998) _____

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:

(2001) _____ (2000) _____ (1999) _____ (1998) _____

c Add Amounts from column (e) for lines 15 <u>0</u> 16 <u>0</u>		
17 <u>0</u> 20 <u>0</u> 21 <u>0</u>	27c	0
d Add Line 27a total <u>0</u> and line 27b total <u>0</u>	27d	0
e Public support (line 27c total minus line 27d total)	27e	0
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)	27f	0
g PUBLIC SUPPORT PERCENTAGE (LINE 27E (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))	27g	0.00%
h INVESTMENT INCOME PERCENTAGE (LINE 18, COLUMN (E) (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))	27h	0.00%

28 UNUSUAL GRANTS For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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 page 7 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		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?		
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?		
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? 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?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
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?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? 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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	0 0
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0 0
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - 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	41	0 0
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0 0
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0 0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0 0

Caution 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 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				0
46	Lobbying ceiling amount (150% of line 45(e))				0
47	Total lobbying expenditures				0
48	Grassroots nontaxable amount				0
49	Grassroots ceiling amount (150% of line 48(e))				0
50	Grassroots lobbying expenditures				0

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0

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

Line 54 (990) - Investments securities

		Beginning	End
1	Mutual funds	7,279,288	6,539,551
2	U S Government Bonds	1,823,369	2,024,062
3	Federal Agency Bonds	885,308	1,229,695
4	Corporate Bonds	3,534,853	3,426,675
5			
6			
7			
8			
9			
10			
11	Total investments securities	13,522,818	13,219,983

Line 57 (990) - Land, buildings, and equipment

Land Only (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	Land	3,732,907	3,732,907
2			
3			
4			
5			
6			
7			
8			
9			
10			
	Total land (net of any amortization)	3,732,907	3,732,907

Buildings and equipment Only		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
1	Buildings	50,785,480	52,769,495	13,386,700	14,665,492
2	Furniture, fixtures and equipment	8,972,656	10,156,888	7,371,417	7,574,938
3	Vehicles	190,753	211,671	126,692	145,188
4	Leasehold improvements	889,801	890,751	206,171	278,768
5	Quarantine room	170,635	192,979	168,600	169,007
6	Construction in progress	1,292,597	1,091,802		
7					
8					
9					
10					
	Total buildings and equipment	62,301,922	65,313,586	21,259,580	22,833,393
	Buildings and equipment (less accumulated depreciation)			41,042,342	42,480,193
	Total land, buildings and equipment			Beginning of Year 44,775,249	End of Year 46,213,100

Line 58 (990) - Other Assets

		Beginning	End
1	Prepaid financing costs	179,010	167,381
2			
3			
4			
5			
6			
7			
8			
9			
10			
11	Total other assets	179,010	167,381

Line 64a (990) - Tax exempt bond liabilities

		Beginning	End
1	(A) July 1, 1991 Industrial Development Board of Hamilton County Bonds, Original amount-\$30,000,000, matures July 1, 2021, Variable interest rate (1 15% @12/21/02)	5,500,000	5,500,000
2	Secured by mortgage on Aquarium property, Direct pay letter of credit expiring 6/15/03		
3	Proceeds used to construct and operate an aquarium to serve as a center for the general public to gain awareness of, understand and enjoy all forms of aquatic life		
4	(B) March 1, 1995 Industrial Development Board of Hamilton County Bonds, Original amount \$14,000,000, matures March 1, 2015, Variable interest rate (1 15% @12/31/02)	14,000,000	14,000,000
5	Secured by mortgage on Aquarium property, Direct pay letter of credit expiring 3/15/03, Proceeds used to construct Tennessee Aquarium Imax Center including 3D Theater, Environmental Learning Lab and staff office space		
6			
7			
8			
9			
10			
11	Total tax exempt bond liabilities	19,500,000	19,500,000

Line 64b (990) - Mortgages and other notes payable

		Beginning	End
1	(A) RiverCity Company - Original amount \$2,095,000, Note dated 7/1/97, Maturity date 7/1/2017, Repaid with monthly payments of \$18,513.74 including principal & interest	1,886,442	1,821,802
2	Fixed interest rate of 8.75%, Mortgage on land at intersection of 2nd & Chestnut Streets in Chattanooga, Loan to facilitate purchase of property adjacent to Aquarium facility to provide parking to Aquarium guests		
3	(B) Bank of America- \$5 million revolving line of credit, Note dated April 20, 2002, Maturity date 4/20/05, Principal due upon maturity, Variable interest rate (2.65% @12/31/02), Loan to facilitate renovations of existing exhibit areas and relocation of	0	4,011,988
4			
5			
6			
7			
8			
9			
10			
11	Total mortgages and other notes payable	1,886,442	5,833,790

Line 65 (990) - Other Liabilities

		Beginning	End
1	Interest rate swap payable	355,279	352,666
2			
3			
4			
5			
6			
7			
8			
9			
10			
11	Total other liabilities	355,279	352,666

TENNESSEE AQUARIUM
FORM 990, LINE 10C
2002

DESCRIPTION	RELATED/ UNRELATED		GROSS SALES	DISCOUNTS	NET SALES	COST OF GOODS SOLD	GROSS MARGIN
BOOKS							
COOKBOOKS	UNRELATED		\$7,501	\$73	\$7,428	\$4,544	\$2,884
ALL OTHER BOOKS	RELATED		\$133,710	\$2,754	\$130,956	\$76,130	\$54,826
			<u>\$141,212</u>	<u>\$2,827</u>	<u>\$138,384</u>	<u>\$80,674</u>	<u>\$57,710</u>
CONSIGNMENT	UNRELATED		442	9	433	72	362
FILM	RELATED		95,027	375	94,652	57,509	37,142
GIFTS							
DECORATIVE	UNRELATED		15,389	497	14,892	7,629	7,264
FISH MODEL	RELATED		3,334	37	3,297	1,691	1,606
FOLK ART	UNRELATED		3,861	33	3,827	2,112	1,716
GARDEN	RELATED		7,914	140	7,774	3,847	3,927
AROMATHERAPY	UNRELATED		10,986	258	10,730	5,324	5,406
MAGNETS	UNRELATED		2,305	28	2,278	1,123	1,155
FRAMES	UNRELATED		6,465	131	6,334	2,989	3,345
BASKETS	UNRELATED		2,806	48	2,760	1,211	1,548
TABLETOP	UNRELATED		36,950	943	36,007	17,843	18,164
MINIATURES	RELATED		16,960	118	16,842	6,420	10,423
GLASS CASE	UNRELATED		10,708	98	10,610	4,519	6,091
FIGURINES	RELATED		22,215	331	21,884	10,240	11,644
ORNAMENT	UNRELATED		27,418	406	27,013	12,790	14,223
OFFICE/DESK	UNRELATED		6,498	84	6,413	3,235	3,178
TILES	RELATED		2,532	32	2,501	1,257	1,243
CANDLES	UNRELATED		13,721	206	13,515	6,742	6,773
FOUNTAINS	RELATED		334	13	320	170	150
WIND/MOBILES	UNRELATED		21,314	264	21,050	9,271	11,779
CONSOL	UNRELATED		565	2	563	272	291
SALT & PEPPER	UNRELATED		4,238	47	4,191	1,964	2,227
DISCONTINUED	UNRELATED		27,225	689	26,536	13,401	13,136
MISCELLANEOUS	UNRELATED		13,597	289	13,308	6,186	7,122
TOTAL GIFTS			<u>257,334</u>	<u>4,689</u>	<u>252,646</u>	<u>120,235</u>	<u>132,411</u>
JEWELRY	UNRELATED		258,625	2,493	256,132	104,265	151,867

TENNESSEE AQUARIUM
FORM 990, LINE 10C
2002

DESCRIPTION	RELATED/		GROSS SALES	DISCOUNTS	NET SALES	COST OF GOODS SOLD	GROSS MARGIN
	RELATED	UNRELATED					
LOGO ITEMS	RELATED		642,586	7,046	635,540	282,684	352,857
MISCELLANEOUS	UNRELATED		468	48	420	0	420
PAPER	RELATED		62,818	1,539	61,278	32,094	29,184
SOFT GOODS	RELATED		583,170	6,287	576,883	256,218	320,665
TAPES	RELATED		47,905	1,287	46,618	28,249	18,369
TOYS							
PLUSH	RELATED		489,241	4,562	484,679	220,639	264,040
GAMES/PUZZLES	RELATED		18,851	253	18,598	9,631	8,967
ACRYLIC	RELATED		111,049	786	110,263	33,829	76,433
IMPULSE	UNRELATED		38,702	225	38,477	14,403	24,074
STICKERS	RELATED		4,537	55	4,482	2,003	2,479
PENS/PENCILS	UNRELATED		3,371	19	3,352	1,014	2,338
PVC ANIMALS	RELATED		80,614	717	79,898	35,976	43,922
BABY	RELATED		5,718	75	5,642	2,518	3,125
ACTION	RELATED		89,924	776	89,149	40,935	48,214
SCHOOL PACK	RELATED		16,589	57	16,542	8,482	8,060
DOLL	UNRELATED		5,989	110	5,879	2,808	3,071
FOOD ITEMS	UNRELATED		41,111	688	40,423	18,678	21,745
GLOW	RELATED		8,920	61	8,858	4,316	4,542
SCIENCE	RELATED		13,408	166	13,241	6,235	7,007
ART ACTIVITIES	RELATED		13,721	150	13,571	6,421	7,151
DISCONTINUED	UNRELATED		104,566	1,241	103,324	46,773	56,551
MISCELLANEOUS	UNRELATED		6,389	44	6,345	2,758	3,587
TOTAL TOYS			1,052,708	9,986	1,042,722	457,417	585,305
TOTAL-GIFT SHOPS			\$3,142,295	\$36,586	\$3,105,708	\$1,419,417	\$1,686,291
TOTAL RELATED SALES-GIFT SHOPS			\$2,471,085	\$27,618	\$2,443,468	\$1,127,493	\$1,315,974
CONCESSIONS SALES-AQUARIUM			193,613		193,613	44,780	148,833
CONCESSIONS SALES-IMAX			298,561		298,561	74,023	224,539

TENNESSEE AQUARIUM
 FORM 990, LINE 10C
 2002

DESCRIPTION	RELATED/ UNRELATED	GROSS SALES	DISCOUNTS	NET SALES	COST OF		GROSS MARGIN
					GOODS SOLD	SALES	
TOTAL RELATED SALES		2,963,259	27,618	2,935,642	1,246,295		1,689,346
TOTAL UNRELATED SALES-GIFT SHOPS		671,209	8,969	662,241	291,924		370,317
TOTAL SALES		<u>\$3,634,469</u>	<u>\$36,586</u>	<u>\$3,597,882</u>	<u>\$1,538,219</u>		<u>\$2,059,663</u>

**TENNESSEE AQUARIUM
990 TAX RETURN
FOR THE YEAR ENDED DECEMBER 31, 2002**

PART III, (a)

The Aquarium's purpose is to foster the understanding, celebration and conservation of aquatic environments of the world through excellence in education, husbandry, exhibitry and community relations. In 2002, the Aquarium accomplished this mission through many different avenues. First, it served as a center for 929,000 visitors to observe, experience and learn from its exhibits containing over 500 different species of animals.

In 2002, the Aquarium continued to put the spotlight on a new species of animal for its guests – seahorses. *Seahorses: Beyond Imagination* opened in May, 2002. This exhibit introduced seahorse species from around the world as it helped the public to become more enlightened about these animals. The gallery also featured innovative interactive exhibits to help guests unravel the mysterious behavior of many of the species exhibited.

The Aquarium continued to build upon its educational programs during 2002. Included in the Aquarium's 929,000 visitors were 100,000 school children. Many of those groups experienced a specific educational program, such as the Lunch and Learn program, in addition to touring the Aquarium's exhibits. The Aquarium's outreach efforts also continued to expand, with over 25,000 school children experiencing an Aquarium educational program in their classroom. The Aquarium also continued to expand its educational partnerships as it joined the Hamilton County school system's Museum Magnet School program. The Aquarium also teamed up with the National Science Foundation and Hamilton County, the Chattanooga Engineers Club and the Creative Discovery Museum for Project MaSS, a five-year program with a goal of ensuring our community is building a strong foundation of math and science professionals who can lead us into a bright future.

The total 2002 program service costs associated with all of the above are \$9,256,455.

**TENNESSEE AQUARIUM
990 TAX RETURN
FOR THE YEAR ENDED DECEMBER 31, 2002
PART III, (b)**

The Aquarium also operates an Imax Theater and an Environmental Learning Lab. Both facilities enhance the Aquarium's ability to further the environmental education of the general public. During 2002, 475,000 guests were transported to and learned about environments they would not normally experience through films such as *Space Station 3D* and *Into the Deep* in the Imax Theater.

In the Environmental Learning Lab, the Aquarium continued to expand its programming. Almost 25,000 adults and children availed themselves of the educational resources available at no charge. Also in the Learning Lab, biology sessions were offered to high school and middle school students in home schooling programs who otherwise would have difficulty completing their lab and fieldwork requirements. The program services costs associated with this part of the Tennessee Aquarium's operation in 2001 are \$1,067,511.

TENNESSEE AQUARIUM
SUPPORTING SCHEDULE
FORM 990, PART V
FOR THE YEAR ENDING DECEMBER 31, 2002

NAME AND ADDRESS	TITLE	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFITS PLAN	EXPENSE ACCT. AND OTHER ALLOWANCES
Mr. Charles L. Arant One Broad Street Chattanooga, TN 37401	Chairman, President	\$176,939	\$12,386	\$10,098
Mr. William Sudderth 820 Broad Street, Suite 403 Chattanooga, TN 37402	Trustee	None	None	None
Mrs. Helen Pregulman 44 South Crest Road Chattanooga, TN 37404	Trustee	None	None	None
Mrs. Jo Ann Yates P. O. Box 408 Lookout Mountain, TN 37350	Trustee	None	None	None
Mr. Olan Mills 3076 Rivermont Road Chattanooga, TN 37415	Trustee	None	None	None
Mr. Frank Burke P. O. Box 11022 Chattanooga, TN 37401	Trustee	None	None	None
Dr. William Stacy University of Tennessee at Chattanooga 615 McCallie Avenue Chattanooga, TN 37403	Trustee	None	None	None

**TENNESSEE AQUARIUM
SUPPORTING SCHEDULE
FORM 990, PART V**

FOR THE YEAR ENDING DECEMBER 31, 2002

NAME AND ADDRESS	TITLE	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFITS PLAN	EXPENSE ACCT. AND OTHER ALLOWANCES
Mr. John Phillips 832 Georgia Ave. Suite 1000 Chattanooga, TN 37402	Secretary, Trustee	None	None	None
Mr. Benjamin Probasco 100 E. 10th Street, Suite 600 Chattanooga, TN 37402	Trustee	None	None	None
Mr. Robert Lyons P. O. Box 1626 Chattanooga, TN 37401	Treasurer, Trustee	None	None	None
Mr. Harold Chandler One Fountain Square Chattanooga, TN 37401	Trustee	None	None	None
Mr. Joseph H. Davenport, III 735 Broad Street, Suite 1108 Chattanooga, TN 37402	Trustee	None	None	None
Mr. John T. Lupton 820 Broad Street Chattanooga, TN 37402	Trustee	None	None	None

**TENNESSEE AQUARIUM
990 TAX RETURN
FOR THE YEAR ENDED DECEMBER 31, 2002**

PART VIII

Line No.

- 93** **The purpose of the organization is to operate an Aquarium to serve as a center for the general public to improve their awareness, understanding and enjoyment of all forms of aquatic life. These revenues represent the admission income received from the general public**
- 94** **Membership dues are collected from the general public who purchase memberships in order to increase their involvement in the Aquarium's education activities.**
- 102** **Most items sold promote awareness of the Aquarium's live collection, promote environmental education or provide a service to visitors while attending the Aquarium.**
- 103(c)** **Service to guests while visiting the Aquarium**
- 103(d)** **Sponsorship revenues are used to present special programs and exhibits that enhance the visitors education experience.**