

**Short Form
Return of Organization Exempt From Income Tax**

2008

**Open to Public
Inspection**

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

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.

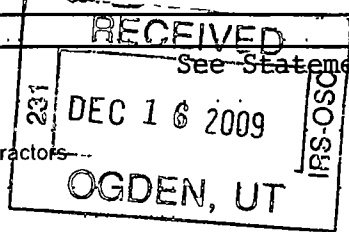
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

A For the 2008 calendar year, or tax year beginning 2008, **and ending** _____

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Please use IRS label or print or type. See Specific Instructions. Association for Retarded Citizens of Allen County, Inc. 546 S. Collett St. Lima, OH 45805	D Employer identification number 34-6550743
		E Telephone number 419-225-6285
• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).		F Group Exemption Number _____
I Website: ▶ <u>N/A</u>		G Accounting method. <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶ _____
J Organization type (check only one) — <input checked="" type="checkbox"/> 501(c) (<u>3</u>) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H Check <input type="checkbox"/> if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).
K Check <input type="checkbox"/> if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.		
L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$1,000,000 or more, file Form 990 instead of Form 990-EZ		▶ \$ 404,617.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)			
REVENUE	1 Contributions, gifts, grants, and similar amounts received	1	128,695.
	2 Program service revenue including government fees and contracts	2	40,451.
	3 Membership dues and assessments	3	
	4 Investment income	4	159,250.
	5a Gross amount from sale of assets other than inventory	5a	75,856.
	b Less: cost or other basis and sales expenses	5b	355.
	6 Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (att sch)	5c	75,501.
	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/>		
	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
	b Less: direct expenses other than fundraising expenses	6b	
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c		
7a Gross sales of inventory, less returns and allowances	7a		
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8 Other revenue (describe ▶ <u>See Statement 2</u>)	8	365.	
9 Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	9	404,262.	
EXPENSES	10 Grants and similar amounts paid (attach schedule)	10	2,320.
	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	253,011.
	13 Professional fees and other payments to independent contractors	13	7,384.
	14 Occupancy, rent, utilities, and maintenance	14	30,911.
	15 Printing, publications, postage, and shipping	15	2,855.
	16 Other expenses (describe ▶ <u>See Statement 4</u>)	16	97,214.
	17 Total expenses (add lines 10 through 16)	17	393,695.
	18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	10,567.
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	1,949,616.
20 Other changes in net assets or fund balances (attach explanation) <u>See Statement 5</u>	20	-228,318.	
21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	1,731,865.	



Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ. (See the instructions for Part II.)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	969,297.	776,077.
23 Land and buildings		
24 Other assets (describe ▶ <u>See Statement 6</u>)	997,268.	981,308.
25 Total assets	1,966,565.	1,757,385.
26 Total liabilities (describe ▶ <u>See Statement 7</u>)	16,949.	25,520.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	1,949,616.	1,731,865.

99 5

Part V Other Information (Note the statement requirement in General Instruction V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T		
35a	Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		X
35b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' complete applicable parts of Schedule N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions		
37b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		X
38b	If 'Yes,' complete Schedule L, Part II and enter the total amount involved		
39a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 9		
39b	b Gross receipts, included on line 9, for public use of club facilities		
40a	501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 0., section 4912 0.; section 4955 0.		
40b	501(c)(3) and (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,' complete Schedule L, Part I		X
40c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
40d	Enter amount of tax on line 40c reimbursed by the organization		
40e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T		X
41	List the states with which a copy of this return is filed		

42a The books are in care of Ona Binkley Telephone no. 419-225-6285
 Located at 546 S. Collett St. Lima OH ZIP + 4 45805

		Yes	No
42b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country:		X
42c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If 'Yes,' enter the name of the foreign country:		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 — Check here and enter the amount of tax-exempt interest received or accrued during the tax year

		Yes	No
44	Did the organization maintain any donor advised funds? If 'Yes,' Form 990 must be completed instead of Form 990-EZ		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If 'Yes,' Form 990 must be completed instead of Form 990-EZ		X

Part VI Section 501(c)(3) organizations only. All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51. See Statement 10

	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
47 Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
49a Did the organization make any transfers to an exempt non-charitable related organization?		X
b If 'Yes,' was the related organization(s) a section 527 organization?		

50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each employee paid more than \$100,000	(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
None				
Total number of other employees paid over \$100,000				

51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		
Total number of other independent contractors receiving over \$100,000		

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.

Sign Here
 Signature of officer: *Brad Perrott*
 Date: 11-24-09
 Type or print name and title: Brad Perrott, Executive Director

Paid Preparer's Use Only
 Preparer's signature: *Janice J. Burkenow, CPA, CFE*
 Date: 11-24-09
 Check if self-employed:
 Preparer's Identifying Number (See instructions): P00039283
 Firm's name (or yours if self-employed), address, and ZIP + 4: E.S. Evans and Company, 205 West Elm Street, Lima, OH 45802
 EIN: 34-1717857
 Phone no: 419-223-3075

May the IRS discuss this return with the preparer shown above? See instructions Yes No
 BAA Form 990-EZ (2008)

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)	133,048.	122,506.	146,551.	125,718.	133,127.	660,950.
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
3 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.
4 Total. Add lines 1-3.	133,048.	122,506.	146,551.	125,718.	133,127.	660,950.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0.
6 Public support. Subtract line 5 from line 4						660,950.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	133,048.	122,506.	146,551.	125,718.	133,127.	660,950.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	32,387.	32,500.	79,559.	67,045.	38,874.	250,365.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) See Part IV	124,800.	126,843.	125,888.	123,725.	120,740.	621,996.
11 Total support. Add lines 7 through 10						1,533,311.
12 Gross receipts from related activities, etc. (see instructions)					12	0.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	43.1 %
15 Public support percentage for 2007 Schedule A, Part IV-A, line 26f	15	43.8 %
16a 33-1/3 support test – 2008. If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input checked="" type="checkbox"/>		
b 33-1/3 support test – 2007. If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test – 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test – 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line, 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ <input type="checkbox"/>		

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

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

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (add lns 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a 33-1/3 support tests – 2008. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

b 33-1/3 support tests – 2007. If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

Part II, Line 10 - Other Income

<u>Nature and Source</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Miscellaneous	364.	1,472.	3,635.	4,485.	1,288.
Rental Income	<u>120,376.</u>	<u>122,253.</u>	<u>122,253.</u>	<u>122,358.</u>	<u>123,512.</u>
Total	<u>\$ 120,740.</u>	<u>\$ 123,725.</u>	<u>\$ 125,888.</u>	<u>\$ 126,843.</u>	<u>\$ 124,800.</u>

Statement 1
Form 990-EZ, Part I, Line 5c
Net Gain (Loss) from Noninventory Sales

Other Assets

Description:	House - 429 Jameson		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	10/06/2008		
To Whom Sold:			
Gross Sales Price:		75,856.	
Cost or Other Basis:		0.	
Basis Method:	Cost		
			Gain (Loss) 75,856.

Description:	Equipment		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	6/15/2008		
To Whom Sold:			
Gross Sales Price:		0.	
Cost or Other Basis:		210,216.	
Basis Method:	Cost		
Depreciation:		209,861.	
			Gain (Loss) -355.

Total Gain (Loss) Other Assets \$ 75,501.

Total Net Gain (Loss) From Noninventory Sales \$ 75,501.

Statement 2
Form 990-EZ, Part I, Line 8
Other Revenue

Miscellaneous			\$ 365.
		Total	<u>\$ 365.</u>

Statement 3
Form 990-EZ, Part I, Line 10
Grants and Similar Amounts Paid

Payments to Affiliates

Name:	ARC of Ohio		
Address:	1335 Dublin Rd, Suite 205-C		
	Columbus, OH 43215		
Amount:			\$ 2,320.

Statement 4
Form 990-EZ, Part I, Line 16
Other Expenses

Annual Dinner Expense	\$	335.
Bank Service Charges		150.
Conferences, Conventions, and Meetings		566.
Depreciation		48,480.
Donations		135.
Dues		2,539.
Equipment Rental		1,387.
Insurance		14,620.
Maintenance and Repair		10,520.
Miscellaneous Expense		1,731.
Supplies		12,597.
Telephone		2,960.
Travel		1,194.
Total	\$	<u>97,214.</u>

Statement 5
Form 990-EZ, Part I, Line 20
Other Changes In Net Assets Or Fund Balances

Unrealized Loss on Investments		\$ -228,318.
Total	\$	<u>-228,318.</u>

Statement 6
Form 990-EZ, Part II, Line 24
Other Assets

	<u>Beginning</u>	<u>Ending</u>
Accounts Receivable	\$ 8,373.	\$ 11,744.
Miscellaneous	982,623.	967,257.
Prepaid Expenses and Deferred Charges	6,272.	2,307.
Total	<u>\$ 997,268.</u>	<u>\$ 981,308.</u>

Statement 7
Form 990-EZ, Part II, Line 26
Total Liabilities

	<u>Beginning</u>	<u>Ending</u>
Accounts Payable and Accrued Expenses	\$ 16,949.	\$ 25,520.
Total	<u>\$ 16,949.</u>	<u>\$ 25,520.</u>

Statement 8
Form 990-EZ, Part III
Organization's Primary Exempt Purpose

Provides day care and camping services to retarded citizens of Allen County. Also leases facilities for group homes to an unrelated party.

Statement 9
Form 990-EZ, Part IV
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
Eric Pohjala 832 Yakima Trail Lima, OH 45805	Treasurer 5.00	\$ 0.	\$ 0.	\$ 0.
Larry Kridler 716 S Glenwood Lima, OH 45805	Trustee 2.00	0.	0.	0.
Mark Thompson 4443 W. Elm Lima, OH 45807	President 5.00	0.	0.	0.
Ralph Albright 749 Bentwood Ave Lima, OH 45805	Trustee 2.00	0.	0.	0.
John Keller 3499 Mills Rd Cridersville, OH 45806	Past President 2.00	0.	0.	0.
Mike Hensley 22493 St Rt 198 Cridersville, OH 45806	Vice President 5.00	0.	0.	0.
Robert Stolly 2849 Shadowood Ave Lima, OH 45805	Trustee 2.00	0.	0.	0.
Linda Skaja 546 S Collett Lima, OH 45805	Secretary 5.00	0.	0.	0.
Connie Rupert 546 S Collett Lima, OH 45805	Trustee 2.00	0.	0.	0.
Tom Ring 9171 Bice Rd. Spencerville, OH 45887	Trustee 2.00	0.	0.	0.

Statement 9 (continued)
Form 990-EZ, Part IV
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Jim Polutnik 524 Columbia Dr, Apt 1 Lima, OH 45805	Trustee \$ 2.00	0. \$	0. \$	0.
Josh Ebling 546 S. Collett St Lima, OH 45805	Exec Director 40.00	59,271.	0.	0.
Kurt Neeper 546 S Collett Lima, OH 45805	Trustee 2.00	0.	0.	0.
Dick Kohli 1890 N. Eastown Rd. Lima, OH 45807	Trustee 2.00	0.	0.	0.
	Total	\$ 59,271.	\$ 0.	\$ 0.

Statement 10
Form 990-EZ, Part VI
Regarding Transfers Associated with Personal Benefit Contracts

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? No

Rental Income Worksheet

Group Homes (3)

Gross Rental Income	\$	120,376.
Expenses		
Total Expenses	\$	<u>0.</u>
Net Rental Income or Loss	\$	<u><u>120,376.</u></u>