

IRS e-file Signature Authorization  
for an Exempt Organization

For calendar year 2009, or fiscal year beginning JUL 1, 2009, and ending JUN 30, 2010

**2009**

Department of the Treasury  
Internal Revenue Service

▶ Do not send to the IRS. Keep for your records.  
▶ See instructions.

Name of exempt organization

Employer identification number

THE ARC OF SAN DIEGO

95-1863913

Name and title of officer

DAVID SCHNEIDER  
CEO

**Part I** Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line 1a, 2a, 3a, 4a, or 5a, below, and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) .....	1b	<u>33988915</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9) .....	2b	
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22) .....	3b	
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5) .....	4b	
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c) .....	5b	

**Part II** Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2009 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize MOSS ADAMS LLP ERO firm name to enter my PIN 63913  
Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2009 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ [Signature] Date ▶ 5-6-11

**Part III** Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 33817389338  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ Patricia J. Mayer, CPA Date ▶ 5/4/11

**ERO Must Retain This Form - See Instructions**  
**Do Not Submit This Form To the IRS Unless Requested To Do So**

# TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM RRF-1

FOR THE YEAR ENDING

JUNE 30, 2010

Prepared for	THE ARC OF SAN DIEGO 3030 MARKET STREET SAN DIEGO, CA 92102
Prepared by	MOSS ADAMS LLP 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123
Mail tax return to	REGISTRY OF CHARITABLE TRUSTS P.O. BOX 903447 SACRAMENTO, CA 94203-4470
Return must be mailed on or before	MAY 16, 2011
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED BY AN AUTHORIZED INDIVIDUAL.  ENCLOSE A CHECK FOR \$225 MADE PAYABLE TO ATTORNEY GENERAL'S REGISTRY OF CHARITABLE TRUSTS. INCLUDE "FORM RRF-1," THE REPORT YEAR AND THE ORGANIZATION'S STATE CHARITY REGISTRATION NUMBER AND/OR ORGANIZATION NUMBER ON THE REMITTANCE.

MAIL TO:  
 Registry of Charitable Trusts  
 P.O. Box 903447  
 Sacramento, CA 94203-4470  
 Telephone: (916) 445-2021

WEB SITE ADDRESS:  
<http://ag.ca.gov/charities/>

**ANNUAL  
 REGISTRATION RENEWAL FEE REPORT  
 TO ATTORNEY GENERAL OF CALIFORNIA**

Sections 12586 and 12587, California Government Code  
 11 Cal. Code Regs. sections 301-307, 311 and 312

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.

State Charity Registration Number: CT <u>004932</u>  <b>THE ARC OF SAN DIEGO</b> <small>Name of Organization</small> <u>3030 MARKET STREET</u> <small>Address (Number and Street)</small> <u>SAN DIEGO, CA 92102</u> <small>City or Town, State and ZIP Code</small>	Check if: <input type="checkbox"/> Change of address  <input type="checkbox"/> Amended report  Corporate or Organization No. <u>0275306</u>  Federal Employer I.D. No. <u>95-1863913</u>
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**ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311 and 312)**  
 Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

**PART A - ACTIVITIES**

For your most recent full accounting period (beginning 07/01/2009 ending 06/30/2010) list:  
 Gross annual revenue \$ 33,988,915. Total assets \$ 35,253,422.

**PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT**


Note: If you answer "yes" to any of the questions below, you must attach a separate sheet providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, did non-program expenditures exceed 50% of gross revenues?		X
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.		X
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.		X
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number. <span style="float: right;">SEE STATEMENT 17</span>	X	
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred. <span style="float: right;">SEE STATEMENT 18</span>	X	
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.		X
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?	X	

Organization's area code and telephone number 619-685-1175

Organization's e-mail address \_\_\_\_\_

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, it is true, correct and complete.

 **DAVID SCHNEIDER** C.E.O. 5-6-11

Signature of authorized officer Printed Name TITLE Date

FORM RRF-1

INFORMATION REGARDING GOVERNMENT FUNDING  
PART B, LINE 6

STATEMENT 17

CORONADO UNIFIED SCHOOL DISTRICT, RECEIVING  
201 SIXTH STREET  
CORONADO, CA 92118  
ATTN: ANGELICA PEREDES  
619-522-8900

SAN DIEGO REGIONAL CENTER  
4355 RUFFIN ROAD, SUITE 119  
SAN DIEGO, CA 92123  
ATTN: CHERIE GOODALL  
858-576-2996

SAN DIEGO CITY SCHOOL  
TRACE MISSION VALLEY  
2555 CAMINO DEL RIO SOUTH, SUITE 150  
SAN DIEGO, CA 92108  
ATTN:  
619-574-1073 EXT. 2102

DOR  
ATTN: ACCOUNTING SERVICES  
P.O. BOX 944222  
SACRAMENTO, CA 94299-9222  
ATTN: LYDIA PEREZ

DEAPRTMENT OF REHABLITATION  
SAN DIEGO DISTRICT  
7575 METROPOLITAN DRIVE, SUITE 107  
SAN DIEGO, CA 92108-4402  
ATTN: LETICIA BROWN  
619-767-2141

STATE COMPENSATION INSURANCE FUND  
P.O. BOX 65005  
SAN DIEGO, CA 93650-5005  
ATTN: STANLEY TAKETA  
559-440-5740

MEDI-CAL  
1-800-541-5555

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION  
7181 OPPORTUNITY ROAD  
SAN DIEGO, CA 92111  
ATTN: GARY RENFRO  
858-467-4043

FORM RRF-1

EXPLANATION OF CHARITABLE RAFFLES  
PART B, LINE 7

STATEMENT 18

16 RAFFLES

DATES:

10/1/09, 11/8/09, 11/9/09, 11/20/09, 11/21/09, 12/9/09, 12/10/09,  
12/10/09, 2/5/10, 2/25/10, 3/20/10, 4/30/10, 5/6/10, 5/7/10, 5/15/10

# 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)

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

**A** For the 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010**

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type.  See Specific Instructions.	<b>C</b> Name of organization <b>THE ARC OF SAN DIEGO</b> Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>3030 MARKET STREET</b> City or town, state or country, and ZIP + 4 <b>SAN DIEGO, CA 92102</b>	<b>D</b> Employer identification number  <b>95-1863913</b>
		<b>F</b> Name and address of principal officer: <b>DAVID SCHNEIDER</b> <b>3030 MARKET STREET, SAN DIEGO, CA 92102</b>	<b>E</b> Telephone number  <b>619-685-1175</b>
		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) ( <b>3</b> ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	<b>G</b> Gross receipts \$ <b>36,042,372.</b>
		<b>J</b> Website: <b>WWW.ARC-SD.COM</b>	<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
		<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	<b>L</b> Year of formation: <b>1953</b> <b>M</b> State of legal domicile: <b>CA</b>

**Part I Summary**

	1	Briefly describe the organization's mission or most significant activities: <b>TO HELP PEOPLE WITH DISABILITIES LEARN NEW SKILLS AND REACH THEIR MAXIMUM POTENTIAL.</b>		
Activities & Governance	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5	Total number of employees (Part V, line 2a)	5	1912
	6	Total number of volunteers (estimate if necessary)	6	15
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	66,813.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	-9,884.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 962,684.	Current Year 944,411.
	9	Program service revenue (Part VIII, line 2g)	31,907,133.	32,354,780.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	255,299.	218,904.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	428,717.	470,820.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	33,553,833.	33,988,915.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	18,985,560.	19,316,714.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>106,107.</b>		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	13,604,065.	14,165,599.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	32,589,625.	33,482,313.
	19	Revenue less expenses. Subtract line 18 from line 12	964,208.	506,602.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 34,069,662.	End of Year 35,253,422.
	21	Total liabilities (Part X, line 26)	17,528,326.	17,885,491.
	22	Net assets or fund balances. Subtract line 21 from line 20	16,541,336.	17,367,931.

**Part II Signature Block**

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 **DAVID SCHNEIDER, C.E.O.** Date \_\_\_\_\_  
 Type or print name and title

<b>Paid Preparer's Use Only</b>	Preparer's signature Firm's name (or yours if self-employed), address, and ZIP + 4 <b>MOSS ADAMS LLP</b> <b>9665 GRANITE RIDGE DRIVE, SUITE 600</b> <b>SAN DIEGO, CA 92123</b>	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) EIN ▶ _____ Phone no. ▶ <b>858-627-1400</b>
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May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: THE ARC OF SAN DIEGO EMPOWERS PERSONS WITH DISABILITIES, AND THEIR FAMILIES, BY WORKING IN PARTNERSHIP TO CREATE OPPORTUNITIES TO ACHIEVE THEIR INDIVIDUAL GOALS WITHIN THE COMMUNITY.

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

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

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

4a (Code: ) (Expenses \$ 15,548,614. including grants of \$ ) (Revenue \$ 18,895,281.) WORK ACTIVITY VOCATIONAL SERVICES: THIS PROGRAM IS AN OPPORTUNITY TO LEARN A VARIETY OF SKILLS THAT WILL PREPARE PARTICIPANTS FOR THE TYPE OF WORK THEY WANT. THEY GAIN VALUABLE EXPERIENCE WORKING ON A VARIETY OF LIGHT INDUSTRIAL CONTRACTS, JANITORIAL, GROUNDS MAINTENANCE, AND RECYCLING JOBS.

4b (Code: ) (Expenses \$ 5,915,980. including grants of \$ ) (Revenue \$ 5,814,782.) ADULT ACTIVITY: THE ARC OF SAN DIEGO'S DAY TRAINING PROGRAMS COMBINE CLASSROOM INSTRUCTION WITH COMMUNITY INTEGRATION AND VOCATIONAL DEVELOPMENT. TOGETHER WITH YOUR FAMILY AND A SAN DIEGO REGIONAL CENTER SOCIAL WORKER, THE STAFF HELPS YOU DEVELOP GOALS AND OBJECTIVES THAT LEAD TO A BETTER FUTURE. THE ARC OF SAN DIEGO PAYS SPECIAL ATTENTION TO YOUR PERSONAL NEEDS AND PREFERENCES. EVERY WEEK, A SCHEDULE STRUCTURED AROUND YOUR INTERESTS AND OBJECTIVES, IS PREPARED. THE ARC STRESSES SELF-ADVOCACY AND COMMUNICATION IN ORDER TO MAXIMIZE INDEPENDENCE. ADAPTIVE TECHNOLOGY IS ALSO USED TO FACILITATE DAILY LEARNING. IN ADDITION, YOU MAY BENEFIT FROM THE SERVICES OF SPEECH THERAPISTS AND BEHAVIORAL SPECIALISTS.

4c (Code: ) (Expenses \$ 5,281,347. including grants of \$ ) (Revenue \$ 5,389,913.) COMMUNITY LIVING SERVICES: THE ARC OF SAN DIEGO'S COMMUNITY LIVING SERVICES ADMINISTERS 13 HOMES SPECIFICALLY DESIGNED TO MEET THE HOUSING NEEDS OF PEOPLE WITH DEVELOPMENTAL DISABILITIES. THE ARC OF SAN DIEGO COMMUNITY LIVING SERVICES SUPPORTS PEOPLE WITH DEVELOPMENTAL DISABILITIES IN THEIR DESIRE TO LIVE ON THEIR OWN AND BE PART OF THE LOCAL COMMUNITIES. OUR STAFF WORKS ONE ON ONE WITH EACH INDIVIDUAL MAINTAINING A CLOSE AND CONTINUING RELATIONSHIP. OUR STAFF PROVIDES DIRECTION AND GUIDANCE BASED ON EACH PERSONS NEED. TOGETHER, WE IDENTIFY RESOURCES ESSENTIAL TO IMPROVING THE QUALITY OF ONES LIFE. THIS INCLUDES PAYING THE RENT AND BILLS, COOKING HEALTHY MEALS, AND USING PUBLIC TRANSPORTATION TO WORK, GO TO THE SUPERMARKET, OR OTHER RECREATIONAL OUTINGS.

4d Other program services. (Describe in Schedule O.) (Expenses \$ 2,396,815. including grants of \$ ) (Revenue \$ 2,624,312.)

4e Total program service expenses \$ 29,142,756.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		X
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
4a	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)?		X
4b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		X
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<b>Sponsoring organizations maintaining donor advised funds.</b>		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<b>Section 501(c)(7) organizations.</b> Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	<b>Section 501(c)(12) organizations.</b> Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (14), 1b Enter the number of voting members that are independent (14), 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X), 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X), 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X), 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X), 6 Does the organization have members or stockholders? (X), 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X), 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X), 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X), b Each committee with authority to act on behalf of the governing body? (X), 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (X), 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? (X), 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (X), 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990., 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (X), 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X), 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (X), 13 Does the organization have a written whistleblower policy? (X), 14 Does the organization have a written document retention and destruction policy? (X), 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X), b Other officers or key employees of the organization (X), 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X), 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
[ ] Own website [ ] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
CHAD LYLE - 619-685-1175
3030 MARKET STREET, SAN DIEGO, CA 92102

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

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

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
GERALD HANSEN 1ST VICE CHAIR	1.00	X						0.	0.	0.
DOUG HOEHN BOARD CHAIR	1.00	X						0.	0.	0.
JERRY WECHSLER SECRETARY / TREASURER	1.00	X						0.	0.	0.
TOM HARMON PAST BOARD CHAIR	1.00	X						0.	0.	0.
HARLAND DEBOER MEMBER AT LARGE	1.00	X						0.	0.	0.
NANCY EAKIN MEMBER AT LARGE	1.00	X						0.	0.	0.
BOB GUTHRIE MEMBER AT LARGE	1.00	X						0.	0.	0.
DWIGHT STRATTON MEMBER AT LARGE	1.00	X						0.	0.	0.
MARLENE WHITESIDE MEMBER AT LARGE	1.00	X						0.	0.	0.
JEWELL HOOPER CHAPTER REP	1.00	X						0.	0.	0.
MARY BARTHOLOMEW CHAPTER REP	1.00	X						0.	0.	0.
JUDY ADAMS CHAPTER REP	1.00	X						0.	0.	0.
DIANE HANSON CHAPTER REP	1.00	X						0.	0.	0.
YRMA NIXON CHAPTER REP	1.00	X						0.	0.	0.
ANNE HOFFMAN -END FEB '10 CEO	40.00			X				144,633.	0.	6,123.
DAVID SCHNEIDER -START APRIL '10 CEO	40.00			X				0.	0.	0.
RYAN HERREN CFO	40.00			X				7,588.	0.	10,490.



Part VIII		Statement of Revenue		(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a	10,000.				
	b	Membership dues	1b	12,219.				
	c	Fundraising events	1c					
	d	Related organizations	1d	644,381.				
	e	Government grants (contributions)	1e	130,400.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	147,411.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f			944,411.			
Program Service Revenue	2 a	SAN DIEGO REGIONAL PRO	Business Code	900099	14307349.	14307349.		
	b	SERVICES TO THE PUBLIC		900099	12336970.	12336970.		
	c	MEDI-CAL		900099	3,959,405.	3,959,405.		
	d	PROGRAM WORKSHOP		900099	692,763.	692,763.		
	e	REHABILITATION SERVICE		900099	587,768.	587,768.		
	f	All other program service revenue				470,525.	470,525.	
	g	Total. Add lines 2a-2f			32354780.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)			211,887.		211,887.	
	4	Income from investment of tax-exempt bond proceeds			1,177.		1,177.	
	5	Royalties						
	6 a	(i) Real		(ii) Personal				
		Gross Rents			433,408.			
		Less: rental expenses						
		c Rental income or (loss)			433,408.			
	d	Net rental income or (loss)			433,408.	369,508.	63,900.	
	7 a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory			1941621.	1,100.		
		b Less: cost or other basis and sales expenses			1926494.	10,387.		
		c Gain or (loss)			15,127.	-9,287.		
d	Net gain or (loss)			5,840.		5,840.		
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		a	151,075.				
	b Less: direct expenses		b	116,576.				
	c Net income or (loss) from fundraising events				34,499.		34,499.	
9 a	Gross income from gaming activities. See Part IV, line 19		a					
	b Less: direct expenses		b					
	c Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances		a					
	b Less: cost of goods sold		b					
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue				Business Code				
11 a	K-1 COMMERCIAL SITES		531110	2,913.		2,913.		
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			2,913.				
12	Total revenue. See instructions.			33988915.	32724288.	66,813.	253,403.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	489,160.		489,160.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	14,274,012.	12,522,577.	1,668,539.	82,896.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	130,325.	104,323.	24,344.	1,658.
9 Other employee benefits	3,033,970.	2,665,836.	353,213.	14,921.
10 Payroll taxes	1,389,247.	1,198,653.	183,962.	6,632.
11 Fees for services (non-employees):				
a Management				
b Legal	201,387.		201,387.	
c Accounting	96,579.		96,579.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	422,596.	180,599.	241,997.	
12 Advertising and promotion	111,294.	46,475.	64,819.	
13 Office expenses	560,281.	231,543.	328,738.	
14 Information technology				
15 Royalties				
16 Occupancy	1,916,805.	1,749,089.	167,716.	
17 Travel	1,026,481.	949,916.	76,565.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	712,143.	621,772.	90,371.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>DIRECT PRODUCTION &amp; CON</b>	7,827,184.	7,819,361.	7,823.	
b <b>PROGRAM SUPPLIES</b>	606,280.	606,092.	188.	
c <b>DUES &amp; ASSESSMENTS</b>	312,218.	252,845.	59,373.	
d <b>REPAIRS &amp; MAINTENANCE</b>	275,281.	185,770.	89,511.	
e <b>MISCELLANEOUS</b>	87,897.	7,905.	79,992.	
f All other expenses	9,173.		9,173.	
25 <b>Total functional expenses.</b> Add lines 1 through 24f	33,482,313.	29,142,756.	4,233,450.	106,107.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	499,114.	1	1,303,177.
	2	Savings and temporary cash investments	1,629,828.	2	2,226,511.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	3,339,357.	4	3,641,819.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	482,688.	9	537,042.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	28,339,924.		
	10b	Less: accumulated depreciation	8,255,337.		
	10c		19,891,312.	10c	20,084,587.
	11	Investments - publicly traded securities	4,750,586.	11	4,281,369.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	3,476,777.	15	3,178,917.	
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	34,069,662.	16	35,253,422.	
Liabilities	17	Accounts payable and accrued expenses	4,483,651.	17	5,002,059.
	18	Grants payable		18	
	19	Deferred revenue	45,953.	19	41,892.
	20	Tax-exempt bond liabilities	12,920,307.	20	12,781,383.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	72,841.	23	54,583.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	5,574.	25	5,574.
	26	<b>Total liabilities.</b> Add lines 17 through 25	17,528,326.	26	17,885,491.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	12,768,049.	27	14,581,391.
	28	Temporarily restricted net assets	3,044,069.	28	1,994,154.
	29	Permanently restricted net assets	729,218.	29	792,386.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	<b>Total net assets or fund balances</b>	16,541,336.	33	17,367,931.	
34	<b>Total liabilities and net assets/fund balances</b>	34,069,662.	34	35,253,422.	

**Part XI** Financial Statements and Reporting

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?		X
<b>b</b> Were the organization's financial statements audited by an independent accountant?	X	
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2009)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2009**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

Name of the organization **THE ARC OF SAN DIEGO** Employer identification number **95-1863913**

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

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? .....		
(ii) A family member of a person described in (i) above? .....		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2009

**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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support test - 2008. 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 - 2009. 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 - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	894,454.	823,542.	431,810.	938,992.	944,411.	4033209.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	29122103.	31403225.	33983845.	32261032.	32724288.	159494493
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 through 5	30016557.	32226767.	34415655.	33200024.	33668699.	163527702
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year					11,281.	11,281.
c Add lines 7a and 7b					11,281.	11,281.
8 Public support (Subtract line 7c from line 6.)						163516421

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	30016557.	32226767.	34415655.	33200024.	33668699.	163527702
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	375,625.	330,376.	511,341.	248,351.	213,064.	1678757.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	375,625.	330,376.	511,341.	248,351.	213,064.	1678757.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on				-2,744.	-9,884.	-12,628.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	162,628.	129,081.	43,322.			335,031.
13 Total support (Add lines 9, 10c, 11, and 12.)	30554810.	32686224.	34970318.	33445631.	33871879.	165528862

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 2009 (line 8, column (f) divided by line 13, column (f))	15	98.78 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	42.08 %

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	1.01 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	1.07 %

19a **33 1/3% support tests - 2009.** 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 - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

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

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

SCHEDULE A, PART III, SECTION A, LINE 7C: PUBLIC SUPPORT TESTING HAS BEEN REVISED FOR PRIOR YEARS TO REMOVE PAYMENTS FROM GOVERNMENT TO INDIVIDUAL SERVICE RECIPIENTS.

**Schedule B**

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

**2009**

Name of the organization

THE ARC OF SAN DIEGO

Employer identification number

95-1863913

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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 boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization 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 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions 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 990-EZ that received from any one contributor, during the year, 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.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ARC SAN DIEGO FOUNDATION 3030 MARKET ST. SAN DIEGO, CA 92102	\$ 644,381.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	BULOVA GALE FOUNDATION 4894 BRADSHAW COURT SAN DIEGO, CA 92130	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	ALLIANT INSURANCE SERVICES, INC 701 B STREET, 6TH FLOOR SAN DIEGO, CA 92102	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	COUNTY OF SAN DIEGO 1600 PACIFIC HIGHWAY SAN DIEGO, CA 92101	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	NORTH ISLAND CREDIT UNION PO BOX 85833 SAN DIEGO, CA 92186	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	SAN DIEGO FOUNDATION 2508 HISTORIC DECATUR RD, SUITE 200 SAN DIEGO, CA 92106	\$ 90,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

THE ARC OF SAN DIEGO

95-1863913

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	CITY OF SAN DIEGO 202 C STREET SAN DIEGO, CA 92102	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8	COMMUNITY SERVICE ASSOC. OF SAN DIEGO CITY SCHOOLS 4100 NORMAL STREET SAN DIEGO, CA 92103	\$ 5,400.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9	THE KRESGE FOUNDATION 3215 W. BIG BEAVER ROAD TROY, MI 48084	\$ 350,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10	THE PARKER FOUNDATION 2604-B EL CAMINO REAL, SUITE 244 CARLSBAD, CA 92008	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11	GENUARDI FAMILY FOUNDATION 470 NORRISTOWN ROAD, SUITE 300 BLUE BELL, PA 19422	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12	MARTIN & ENID GLEICH P.O. BOX 85304 SAN DIEGO, CA 92186	\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	ANTHONY A. GHIO 1671 PASEO BONITA LA JOLLA, CA 92037	\$ 8,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14	FRANK M. & LEE GOLDBERG FOUNDATION 1333 CAMINO DEL RIO SOUTH, #310 SAN DIEGO, CA 92108	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15	HIGGS FLETCHER & MACK LLP 401 WEST A STREET, SUITE 2600 SAN DIEGO, CA 92101	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16	PRICE FAMILY CHARITABLE FUND 7979 IVANHOE AVENUE, SUITE 520 LA JOLLA, CA 92037	\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17	TIMOTHY J. SLOAN 1320 WOODSTOCK ROAD SAN MARINO, CA 91108	\$ 6,996.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18	SUMMIT CONTAINER CORPORATION P.O. BOX 2005 MONUMENT, CO 80132	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	TOBY WELLS FOUNDATION 17083 OLD COACH ROAD POWAY, CA 92064	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
20	US BANCORP FOUNDATION 5787 CHESAPEAKE COURT, SUITE 201 SAN DIEGO, CA 92123	\$ 10,000.	Person <input checked="" 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.)

Name of organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
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**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
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**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

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

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

THE ARC OF SAN DIEGO

Employer identification number  
95-1863913

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	729,218.	936,186.			
b Contributions					
c Net investment earnings, gains, and losses	63,168.	-206,968.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	792,386.	729,218.			

- 2 Provide the estimated percentage of the year end balance held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  100.00 %
  - c Term endowment  \_\_\_\_\_ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes | No |
|---|-----|----|
| (i) unrelated organizations   | X   |    |
| (ii) related organizations  |     | X  |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? |     |    |
| 3b  |     |    |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds.

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	5,474,365.			5,474,365.
b Buildings	18,120,648.		5,568,258.	12,552,390.
c Leasehold improvements	2,360,572.		798,741.	1,561,831.
d Equipment	2,384,339.		1,888,338.	496,001.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				20,084,587.



<b>Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements</b>			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	33,988,915.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	33,482,313.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	506,602.
4	Net unrealized gains (losses) on investments	4	382,975.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	308,257.
9	Total adjustments (net). Add lines 4 through 8	9	691,232.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	1,197,834.

<b>Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>			
1	Total revenue, gains, and other support per audited financial statements	1	34,842,501.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	382,975.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	382,975.
3	Subtract line 2e from line 1	3	34,459,526.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-473,524.
b	Other (Describe in Part XIV.)	4b	2,913.
c	Add lines 4a and 4b	4c	-470,611.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	33,988,915.

<b>Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>			
1	Total expenses and losses per audited financial statements	1	33,644,667.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	162,354.
e	Add lines 2a through 2d	2e	162,354.
3	Subtract line 2e from line 1	3	33,482,313.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	33,482,313.

**Part XIV Supplemental Information**

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

THE ARC OF SAN DIEGO AND ARC OF SAN DIEGO FOUNDATION (COLLECTIVELY, "THE ARC") ARE NONPROFIT CALIFORNIA CORPORATIONS. BOTH ORGANIZATIONS ARE EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF INTERNAL REVENUE CODE ("IRC") AND SECTION 23701(D) OF THE CALIFORNIA REVENUE AND TAXATION CODE, EXCEPT TO THE EXTENT OF UNRELATED BUSINESS TAXABLE INCOME AS DEFINED UNDER IRC SECTIONS 511 THROUGH 515. FOR EACH OF THE YEARS ENDED JUNE 30, 2010 AND 2009, NO PROVISION FOR UNRELATED BUSINESS INCOME TAXES IS REQUIRED. THE ARC HAS NO UNRECOGNIZED TAX BENEFITS OR LIABILITIES AS OF JUNE 30,

**Part XIV** Supplemental Information (continued)

2010 AND 2009.

## SCHEDULE D, PART XI, RECONCILIATION OF CHANGE IN NET ASSETS, LINE 8:

CHANGE IN CHARITABLE REMAINDER TRUST	\$-60,067
CONSOLIDATING AJE	\$371,237
K-1 RENTAL INCOME	\$-2,913
TOTAL	\$308,257

## SCHEDULE D, PART XII, RECONCILIATION OF REVENUE, LINE 4A:

CHANGE IN CHARITABLE REMAINDER TRUST	\$60,069
CONSOLIDATING AJE	\$-417,015
SPECIAL EVENTS	\$-116,576
TOTAL	\$-473,524

## SCHEDULE D, PART XII, RECONCILIATION OF REVENUE, LINE 4B:

K-1 RENTAL INCOME NOT RECORDED ON BOOKS	\$2,913
---	---------

## SCHEDULE D, PART XIII, RECONCILIATION OF EXPENSES, LINE 2D:

CONSOLIDATING AJE	\$45,778
SPECIAL EVENT EXPENSE	\$116,576
TOTAL	\$162,354

## SCHEDULE D, PART V, LINE 4

## ENDOWMENT FUNDS

**Part XIV** Supplemental Information (continued)

THE INTEREST EARNED SEMI-ANNUALLY IS UNRESTRICTED FOR ANY USE AND THE  
CORPUS IS PERMANENTLY RESTRICTED. ENDOWMENT FUNDS HELD AT THE SAN DIEGO  
FOUNDATION, A SEPARATE ENTITY FROM THE ARC OF SAN DIEGO.



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

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		GALA & CASINO NIGHT (event type)	(event type)	NONE (total number)		
Revenue	1	Gross receipts	151,075.		151,075.	
	2	Less: Charitable contributions				
	3	Gross income (line 1 minus line 2)	151,075.		151,075.	
Direct Expenses	4	Cash prizes				
	5	Noncash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	116,576.		116,576.	
	10	Direct expense summary. Add lines 4 through 9 in column (d)				( 116,576 )
	11	Net income summary. Combine line 3, column (d), and line 10				34,499.

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

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Noncash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7	Direct expense summary. Add lines 2 through 5 in column (d)				( )
8	Net gaming income summary. Combine line 1, column (d), and line 7				

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

**13** Indicate the percentage of gaming activity operated in:  
**a** The organization's facility ..... **13a** %  
**b** An outside facility ..... **13b** %

**14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:  
 Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ..... **15a**  
**b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_  
**c** If "Yes," enter name and address of the third party:  
 Name ▶ \_\_\_\_\_  
 Address ▶ \_\_\_\_\_

**16** Gaming manager information:  
 Name ▶ \_\_\_\_\_  
 Gaming manager compensation ▶ \$ \_\_\_\_\_  
 Description of services provided ▶ \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Director/officer       Employee       Independent contractor

**17** Mandatory distributions:  
**a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ..... **17a**  
**b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

	Yes	No
13a		
13b		
14		
15a		
15b		
15c		
16		
17a		
17b		

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2009**

Open to Public Inspection

Name of the organization

THE ARC OF SAN DIEGO

Employer identification number

95-1863913

**Part I Questions Regarding Compensation**

	Yes	No								
<p><b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use	<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees	<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use									
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees									
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)									
<p><b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain</p>	1b									
<p><b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</p>	2									
<p><b>3</b> Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Compensation committee</td> <td><input checked="" type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input checked="" type="checkbox"/> Form 990 of other organizations</td> <td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study	<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee				
<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study									
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p><b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p>										
<p><b>a</b> Receive a severance payment or change-of-control payment?</p>	4a	X								
<p><b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p>	4b	X								
<p><b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	4c	X								
<p><b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b></p>										
<p><b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p>										
<p><b>a</b> The organization?</p>	5a	X								
<p><b>b</b> Any related organization?</p> <p>If "Yes" to line 5a or 5b, describe in Part III.</p>	5b	X								
<p><b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p>										
<p><b>a</b> The organization?</p>	6a	X								
<p><b>b</b> Any related organization?</p> <p>If "Yes" to line 6a or 6b, describe in Part III.</p>	6b	X								
<p><b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</p>	7	X								
<p><b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III</p>	8	X								
<p><b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p>	9									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
ANNE HOFFMAN -END FEB '10	(i) 144,633.	(ii) 0.	(iii) 0.	0.	6,123.	150,756.	0.
	(ii) 0.	(iii) 0.		0.	0.	0.	0.
	(i)						
	(ii)						
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	(i)						
	(ii)						

**SCHEDULE K**  
**(Form 990)**  
Department of the Treasury  
Internal Revenue Service

**Supplemental Information on Tax-Exempt Bonds**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).  
Attach to Form 990. See separate instructions.

OMB No. 1545-0047  
**2009**  
Open to Public Inspection

Name of the organization

THE ARC OF SAN DIEGO

Employer identification number  
95-1863913

**Part I Bond Issues**

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
A COUNTY OF SAN DIEGO	95-6000934797391K81		04/24/08	13250000	REFINANCING AND CONSTRUCTION		X		X
B									
C									
D									
E									

**Part II Proceeds**

	A	B	C	D	E
1 Total proceeds of issue	12,412,337.				
2 Gross proceeds in reserve funds	918,400.				
3 Proceeds in refunding or defeasance escrows	8,488,751.				
4 Other unspent proceeds	207,813.				
5 Issuance costs from proceeds	342,940.				
6 Working capital expenditures from proceeds					
7 Capital expenditures from proceeds	3,632,135.				
8 Year of substantial completion	2009				

	Yes		No		Yes		No	
	Yes	No	Yes	No	Yes	No	Yes	No
9 Were the bonds issued as part of a current refunding issue?		X						
10 Were the bonds issued as part of an advance refunding issue?	X							
11 Has the final allocation of proceeds been made?	X							
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

**Part III Private Business Use**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X								
2 Are there any lease arrangements with respect to the financed property which may result in private business use?	X									

**Part III Private Business Use (Continued)**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts with respect to the financed property which may result in private business use?		X								
<b>b</b> Are there any research agreements with respect to the financed property which may result in private business use?		X								
<b>c</b> Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		3.74	%				%			%
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		3.74	%				%			%
<b>6</b> Total of lines 4 and 5		3.74	%				%			%
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

**Part IV Arbitrage**

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
<b>2</b> Is the bond issue a variable rate issue?		X								
<b>3a</b> Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X								
<b>b</b> Name of provider										
<b>c</b> Term of hedge										
<b>4a</b> Were gross proceeds invested in a GIC?		X								
<b>b</b> Name of provider										
<b>c</b> Term of GIC										
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X								
<b>6</b> Did the bond issue qualify for an exception to rebate?		X								

### Supplemental Information to Form 990

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

# 2009

Open to Public  
Inspection

Name of the organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
---	---

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

RESPIRE SERVICES, INFANT PROGRAMS & SPECIAL PROGRAMS

EXPENSES \$ 2396815. INCLUDING GRANTS OF \$ 0. REVENUE \$ 2624312.

FORM 990, PART VI, SECTION A, LINE 6: THE ARC HAS TWO CLASSES OF MEMBERS (EMPLOYEES AND NON-EMPLOYEES). THE MEMBERSHIP SHALL BE OPEN TO ALL PERSONS WHO ARE INTERESTED IN THE PURPOSE OF THE ARC. MEMBERS WHO ARE EMPLOYEES OF THE ARC OR THEIR FAMILIES MAY HAVE VOTING PRIVILEGES EXCEPT THEY MAY NOT VOTE FOR ELECTION OF MEMBERS TO SERVE ON THE BOARD NOR VOTE ON POLICIES RELATING TO SALARIES OR BENEFITS. MEMBERS VOTE ON BYLAW CHANGES APPROVED BY THE BOARD OF DIRECTORS. NON-EMPLOYEE MEMBERS ARE ALLOWED TO VOTE FOR THE ELECTION OF BOARD MEMBERS.

FORM 990, PART VI, SECTION A, LINE 7A: NON-EMPLOYEE MEMBERS ARE ALLOWED TO VOTE FOR ELECTION OF MEMBERS TO SERVE ON THE BOARD. EACH NON-EMPLOYEE MEMBER IN GOOD STANDING SHALL VOTE FOR NOT MORE THAN 12 OF THE NOMINEES. EACH CHAPTER ADVISORY BOARD SHALL SELECT ONE MEMBER AS THEIR REPRESENTATIVE ON THE ARC BOARD AS A LIAISON BETWEEN THE TWO BOARDS.

FORM 990, PART VI, SECTION A, LINE 7B: ANY BYLAW AMENDMENTS REQUIRE A MAJORITY VOTE PRIOR TO A MEMBERSHIP VOTE. CHAPTER ADVISORY BOARDS MUST APPROVE, BY MAJORITY VOTE ANY AMENDMENTS TO ARTICLE 9 OR SECTION 14.01 OF THE ARC BYLAWS PRIOR TO THE VOTE BY MEMBERSHIP, WITH EACH CHAPTER ADVISORY BOARD HAVING ONE VOTE.

FORM 990, PART VI, SECTION B, LINE 11: FINAL REVIEW WITH AUDITORS AND CEO

SCHEDULE O  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public  
Inspection

Name of the organization

THE ARC OF SAN DIEGO

Employer identification number

95-1863913

ALONG WITH AUDIT COMMITTEE. THEN SENT TO BOARD OF DIRECTORS FOR FINAL  
APPROVAL.

FORM 990, PART VI, SECTION B, LINE 12C: ALL BOARD MEMBERS AND OFFICERS ARE  
COVERED UNDER THE CONFLICT OF INTEREST POLICY. THE LEVEL AT WHICH  
DETERMINATIONS OF WHETHER A CONFLICT EXISTS ARE ON A CASE BY CASE BASIS.  
ALL POSSIBLE CONFLICTS ARE REVIEWED. PERSONS WITH A CONFLICT WOULD NOT BE  
PERMITTED TO VOTE OR ACT ON A RELATED TOPIC THAT WOULD GIVE RISE TO A  
CONFLICT.

FORM 990, PART VI, LINE 15:

INDEPENDENT FIRM USED TO EVALUATE MARKET AND ECONOMIC  
CONDITIONS. COMPENSATION COMMITTEE APPROVED THE CEO SALARY USING  
COMPARABLES. THE PROCESS WAS DOCUMENTED. THE PROCESS WAS LAST DONE  
4/14/10.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES IT'S  
GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE  
PUBLIC UPON REQUEST. AUDITED FINANCIAL STATEMENTS ARE MADE AVAILABLE TO  
THE PUBLIC VIA THE ORGANIZATIONS WEBSITE.

FORM 990, PART VI, SECTION A, LINE 9:

OFFICERS THAT CAN NOT BE REACHED AT THE ORGANIZATIONS MAILING ADDRESS:

RYAN HERREN

855 N. CROFT AVE #104

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2009

932211  
02-03-10

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**  
Open to Public  
Inspection

Name of the organization **THE ARC OF SAN DIEGO** Employer identification number  
**95-1863913**

**LOS ANGELES, CA 90069**

**ANNE HOFFMAN**

**11184 1/2 PORTOBELO DR.**

**SAN DIEGO, CA 92124**





**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
<b>b</b> Gift, grant, or capital contribution to other organization(s)		X
<b>c</b> Gift, grant, or capital contribution from other organization(s)	X	
<b>d</b> Loans or loan guarantees to or for other organization(s)		X
<b>e</b> Loans or loan guarantees by other organization(s)		X
<b>f</b> Sale of assets to other organization(s)		X
<b>g</b> Purchase of assets from other organization(s)		X
<b>h</b> Exchange of assets		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s)		X
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s)		X
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s)		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s)		X
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets		X
<b>n</b> Sharing of paid employees		X
<b>o</b> Reimbursement paid to other organization for expenses		X
<b>p</b> Reimbursement paid by other organization for expenses		X
<b>q</b> Other transfer of cash or property to other organization(s)		X
<b>r</b> Other transfer of cash or property from other organization(s)		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization(s)	(b) Transaction type (a-r)	(c) Amount involved
(1) SAN DIEGO ARC FOUNDATION	C	644,381.
(2) SAN DIEGO ARC FOUNDATION (UNDER \$50,000)	M	0.
(3) SAN DIEGO ARC FOUNDATION (UNDER \$50,000)	N	0.
(4) SAN DIEGO ARC FOUNDATION (UNDER \$50,000)	P	0.
(5)		



• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box  **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing your return. See instructions.	Name of exempt organization <b>THE ARC OF SAN DIEGO</b>	Employer identification number <b>95-1863913</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>3030 MARKET STREET</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SAN DIEGO, CA 92102</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

• The books are in the care of **▶ CHAD LYLE**  
 Telephone No. **▶ 619-685-1175** FAX No. **▶**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **\_\_\_\_\_**. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **MAY 16, 2011**.

5 For calendar year **\_\_\_\_\_**, or other tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**.

6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

7 State in detail why you need the extension  
**THE TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO OBTAIN THE INFORMATION NECESSARY TO FILE AND COMPLETE AN ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$ <b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$ <b>0.</b>
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$ <b>0.</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶** Title **▶ C.E.O.** Date **▶**

# TAX RETURN FILING INSTRUCTIONS

FORM 990-T

FOR THE YEAR ENDING

JUNE 30, 2010

Prepared for	THE ARC OF SAN DIEGO 3030 MARKET STREET SAN DIEGO, CA 92102
Prepared by	MOSS ADAMS LLP 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123
Amount due or refund	NO AMOUNT IS DUE.
Make check payable to	NO AMOUNT IS DUE.
Mail tax return and check (if applicable) to	DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE CENTER OGDEN, UT 84201-0027
Return must be mailed on or before	MAY 16, 2011
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED.

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2009

Department of the Treasury Internal Revenue Service (77)

For calendar year 2009 or other tax year beginning JUL 1, 2009 and ending JUN 30, 2010

Open to Public Inspection for 501(c)(3) Organizations Only

Form header section containing: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; F Group exemption number; G Check organization type; H Describe the organization's primary unrelated business activity; I During the tax year, was the corporation a subsidiary...

Part I Unrelated Trade or Business Income table header and first few rows (1a-13)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales, 2 Cost of goods sold, 3 Gross profit, 4a Capital gain net income, 5 Income (loss) from partnerships and S corporations, 6 Rent income, 7 Unrelated debt-financed income, 8 Interest, annuities, royalties, and rents, 9 Investment income, 10 Exploited exempt activity income, 11 Advertising income, 12 Other income, 13 Total.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include: 14 Compensation of officers, directors, and trustees, 15 Salaries and wages, 16 Repairs and maintenance, 17 Bad debts, 18 Interest, 19 Taxes and licenses, 20 Charitable contributions, 21 Depreciation, 22 Less depreciation claimed on Schedule A and elsewhere on return, 23 Depletion, 24 Contributions to deferred compensation plans, 25 Employee benefit programs, 26 Excess exempt expenses, 27 Excess readership costs, 28 Other deductions, 29 Total deductions, 30 Unrelated business taxable income before net operating loss deduction, 31 Net operating loss deduction, 32 Unrelated business taxable income before specific deduction, 33 Specific deduction, 34 Unrelated business taxable income.

**Part III Tax Computation**

35 Organizations Taxable as Corporations. See instructions for tax computation.  
 Controlled group members (sections 1561 and 1563) check here  See instructions and:  
 a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
 b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
 c Income tax on the amount on line 34 35c 0.  
 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:  
 Tax rate schedule or  Schedule D (Form 1041) 36  
 37 Proxy tax. See instructions 37  
 38 Alternative minimum tax 38  
 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

**Part IV Tax and Payments**

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a  
 b Other credits (see instructions) 40b  
 c General business credit. Attach Form 3800 40c  
 d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d  
 e Total credits. Add lines 40a through 40d 40e  
 41 Subtract line 40e from line 39 41 0.  
 42 Other taxes. Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  Other (attach schedule) 42  
 43 Total tax. Add lines 41 and 42 43 0.  
 44a Payments: A 2008 overpayment credited to 2009 44a  
 b 2009 estimated tax payments 44b  
 c Tax deposited with Form 8868 44c  
 d Foreign organizations: Tax paid or withheld at source (see instructions) 44d  
 e Backup withholding (see instructions) 44e  
 f Other credits and payments:  Form 2439  Form 4136  Other \_\_\_\_\_ Total 44f  
 45 Total payments. Add lines 44a through 44f 45  
 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached  46  
 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 0.  
 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 0.  
 49 Enter the amount of line 48 you want: Credited to 2010 estimated tax  Refunded  49

**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 17)

1 At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here  Yes No  
 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. X  
 3 Enter the amount of tax-exempt interest received or accrued during the tax year  \$ X

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation  N/A

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes No
4a Additional section 263A costs	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

**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 taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: *[Signature]* Date: 5-6-11 Title: CEO

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Preparer's signature: *[Signature]* Date: 5/4/11 Check if self-employed  Preparer's SSN or PTIN: P00188643

Firm's name (or yours if self-employed), address, and ZIP code: MOSS ADAMS LLP, 9665 GRANITE RIDGE DRIVE, SUITE 600, SAN DIEGO, CA 92123

EIN: 91-0189318 Phone no.: 858-627-1400

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instr. on pg 18)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (See instructions on page 19)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) AMES RENTAL INCOME	63,900.		STATEMENT 3 77,264.
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
STATEMENT 4 581,068.	STATEMENT 5 606,805.	95.76%	61,191.	73,988.
(2)		%		
(3)		%		
(4)		%		

Totals Enter here and on page 1, Part I, line 7, column (A) **61,191.** Enter here and on page 1, Part I, line 7, column (B) **73,988.**  
Total dividends-received deductions included in column 8 **0.**

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (See instructions on page 20)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					

Totals Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) **0.** Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) **0.**

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

Table with 5 columns: 1. Description of income, 2. Amount of income, 3. Deductions directly connected, 4. Set-asides, 5. Total deductions and set-asides. Totals row shows 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

Table with 7 columns: 1. Description of exploited activity, 2. Gross unrelated business income, 3. Expenses directly connected, 4. Net income (loss), 5. Gross income from activity, 6. Expenses attributable, 7. Excess exempt expenses. Totals row shows 0.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Totals row shows 0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1. Name of periodical, 2. Gross advertising income, 3. Direct advertising costs, 4. Advertising gain or (loss), 5. Circulation income, 6. Readership costs, 7. Excess readership costs. Totals row shows 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

Table with 4 columns: 1. Name, 2. Title, 3. Percent of time devoted to business, 4. Compensation attributable to unrelated business. Total row shows 0.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 1

DEBT FINANCED RENTAL INCOME/ PARTNERSHIP RENTAL  
TO FORM 990-T, PAGE 1

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 2

DESCRIPTION	AMOUNT
COMMERCIAL SITES LTD	2,913.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	2,913.

FORM 990-T SCHEDULE E - OTHER DEDUCTIONS STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INSURANCE		4,513.	
UTILITIES		5,950.	
JANITORIAL SUPPLIES		1,371.	
PROPERTY TAXES		1,025.	
BOND INTEREST		33,303.	
BUILDING REPAIRS AND MAINTENANCE		4,376.	
DEPRECIATION-BLD. & L/H IMPROVEMENTS		26,726.	
- SUBTOTAL -	1		77,264.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			77,264.

FORM 990-T AVERAGE ACQUISITION DEBT ON OR ALLOCABLE TO DEBT-FINANCED PROPERTY STATEMENT 4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ACQUISITION		581,068.	
- SUBTOTAL -	1		581,068.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			581,068.



# TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM 199

FOR THE YEAR ENDING

JUNE 30, 2010

Prepared for	THE ARC OF SAN DIEGO 3030 MARKET STREET SAN DIEGO, CA 92102
Prepared by	MOSS ADAMS LLP 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123
Amount due or refund	BALANCE DUE OF \$10
Make check payable to	FRANCHISE TAX BOARD
Mail tax return and check (if applicable) to	FRANCHISE TAX BOARD P.O. BOX 942857 SACRAMENTO, CA 94257-0701
Return must be mailed on or before	JUNE 15, 2011
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED BY AN AUTHORIZED INDIVIDUAL.  INCLUDE THE ORGANIZATION'S CALIFORNIA CORPORATION/ORGANIZATION NUMBER AND "2009 FORM 199" ON THE REMITTANCE.

2009

# California Exempt Organization Annual Information Return

199

Calendar Year 2009 or fiscal year beginning month JULY day 1 year 2009, and ending month JUNE day 30 year 2010.



A First Return Filed?  Yes  No  
 B Type of organization Exempt under Section 23701 d (insert letter)  
 IRC Section 4947(a)(1) trust

Corporation/Organization Name  
**THE ARC OF SAN DIEGO**  
 Address  
**3030 MARKET STREET**  
 City  
**SAN DIEGO**  
 State  
**CA**  
 ZIP Code  
**92102**

C Amended Return?  Yes  No  
 D Are you a subordinate/affiliate in a group exemption?  Yes  No  
 (a) Is this a group filing for affiliates? See General Instruction L  Yes  No  
 (b) If "Yes," enter the number of affiliates \_\_\_\_\_  
 (c) Are all affiliates included?  Yes  No  
 (If "No," attach a list. See instructions.)  
 (d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
 (e) Federal Group Exemption Number \_\_\_\_\_  
 (f) Is a roster of subordinates attached?  Yes  No  
 E Final return?  
 Dissolved  Surrendered (Withdrawn)  
 Merged/Reorganized (attach explanation)  
 If a box is checked, enter date \_\_\_\_\_  
 F Check the box if the organization filed the following federal forms or schedule:  
 (1)  990T (2)  990PF (3)  (Schedule H) 990  
 G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F. No filing fee is required.   
 H Accounting method used (1)  Cash (2)  Accrual (3)  Other  
 I If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If "Yes," complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations  Yes  No  
 J Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If "Yes," complete an explanation and attach copies of revised documents  Yes  No  
 K Is the organization exempt under R&TC Section 23701g?  Yes  No  
 If "Yes," enter amount of gross receipts from nonmember sources \$ \_\_\_\_\_  
 L Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No  
 M Is the organization a Limited Liability Company?  Yes  No  
 N Did the organization file Form 100 or Form 109 to report taxable income?  Yes  No

**Part I Complete Part I unless not required to file this form. See General Instructions B and C.**

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	35,097,961.00
	2	Gross dues and assessments from members and affiliates	2	12,219.00
	3	Gross contributions, gifts, grants, and similar amounts received <b>STMT 1</b>	3	932,192.00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C	4	36,042,372.00
	5	Cost of goods sold	5	00
	6	Cost or other basis, and sales expenses of assets sold	6	1,936,881.00
	7	Total costs. Add line 5 and line 6	7	1,936,881.00
	8	Total gross income. Subtract line 7 from line 4	8	34,105,491.00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	33,598,889.00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	506,602.00
Filing Fee	11	Filing fee \$10 or \$25. See General Instruction F	11	10.00
	12	Total payments	12	00
	13	Penalties and interest. See General Instruction J	13	00
	14	Use tax. See General Instruction K	14	00
	15	Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result	15	10.00

Sign Here  
 Signature of officer  Title **C.E.O.** Date **5-6-11** Telephone \_\_\_\_\_  
 Preparer's signature  Date **5/4/11** Check if self-employed  Preparer's SSN/PTIN **P00188643**  
 Firm's name (or yours, if self-employed) and address **MOSS ADAMS LLP**  
**9665 GRANITE RIDGE DRIVE, SUITE 600**  
**SAN DIEGO, CA 92123**  
 Telephone **858-627-1400**  
 May the FTB discuss this return with the preparer shown above? See instructions  Yes  No

**Part II** Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information. See Specific Line Instructions.

928951 11-19-09

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1	151,075.00	
	2	Interest	•	2	211,887.00	
	3	Dividends	•	3	00	
	4	Gross rents	•	4	433,408.00	
	5	Gross royalties	•	5	00	
	6	Gross amount received from sale of assets (See instructions)	SEE STATEMENT 2	•	6	1,942,721.00
	7	Other income	SEE STATEMENT 3	•	7	32,358,870.00
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1		•	8	35,097,961.00
	9	Contributions, gifts, grants, and similar amounts paid	•	9	00	
	10	Disbursements to or for members	•	10	00	
	11	Compensation of officers, directors, and trustees	SEE STATEMENT 4	•	11	489,160.00
	12	Other salaries and wages	•	12	14,274,012.00	
	13	Interest	•	13	712,143.00	
	14	Taxes	•	14	1,389,247.00	
	15	Rents	•	15	1,916,805.00	
	16	Depreciation and depletion (See instructions)	•	16	00	
	17	Other	SEE STATEMENT 5	•	17	14,817,522.00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9		•	18	33,598,889.00

**Schedule L Balance Sheets**

	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		2,128,942.		3,529,688.
2 Net accounts receivable		3,339,357.		3,641,819.
3 Net notes receivable				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds				
7 Investments in stock <b>STMT 6</b>		4,750,586.		4,281,369.
8 Mortgage loans (number of loans _____)				
9 Other investments				
10 a Depreciable assets	21,963,475.		22,865,559.	
b Less accumulated depreciation	( 7,546,528. )	14,416,947.	( 8,255,337. )	14,610,222.
11 Land		5,474,365.		5,474,365.
12 Other assets <b>STMT 7</b>		3,959,465.		3,715,959.
13 Total assets		34,069,662.		35,253,422.
<b>Liabilities and net worth</b>				
14 Accounts payable		4,483,651.		5,002,059.
15 Contributions, gifts, or grants payable				
16 Bonds and notes payable <b>STMT 8</b>		12,920,307.		12,781,383.
17 Mortgages payable		72,841.		54,583.
18 Other liabilities <b>STMT 9</b>		124,368.		276,282.
19 Capital stock or principle fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund		16,541,336.		17,367,931.
22 Total liabilities and net worth		34,142,503.		35,482,238.

**Schedule M-1 Reconciliation of income per books with income per return**

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

1 Net income per books	•	826,595.		
2 Federal income tax	•		7 Income recorded on books this year not included in this return <b>STMT 11</b>	•
3 Excess of capital losses over capital gains	•			322,906.
4 Income not recorded on books this year <b>STMT 10</b>	•	2,913.	8 Deductions in this return not charged against book income this year	•
5 Expenses recorded on books this year not deducted in this return	•		9 Total. Add line 7 and line 8	322,906.
6 Total.			10 Net income per return.	
Add line 1 through line 5		829,508.	Subtract line 9 from line 6	506,602.

FORM 199 CASH CONTRIBUTIONS OF \$5000 OR MORE STATEMENT 1  
 INCLUDED ON PART I, LINE 3

CONTRIBUTOR'S NAME	CONTRIBUTOR'S ADDRESS	DATE OF GIFT	AMOUNT
ARC SAN DIEGO FOUNDATION	3030 MARKET ST. SAN DIEGO, CA, 92102		644,381.
BULOVA GALE FOUNDATION	4894 BRADSHAW COURT SAN DIEGO, CA, 92130		10,000.
ALLIANT INSURANCE SERVICES, INC	701 B STREET, 6TH FLOOR SAN DIEGO, CA, 92102		5,000.
COUNTY OF SAN DIEGO	1600 PACIFIC HIGHWAY SAN DIEGO, CA, 92101		50,000.
NORTH ISLAND CREDIT UNION	PO BOX 85833 SAN DIEGO, CA, 92186		15,000.
SAN DIEGO FOUNDATION	2508 HISTORIC DECATUR RD, SUITE 200 SAN DIEGO, CA, 92106		90,000.
CITY OF SAN DIEGO	202 C STREET SAN DIEGO, CA, 92102		75,000.
COMMUNITY SERVICE ASSOC. OF SAN DIEGO CITY SCHOOLS	4100 NORMAL STREET SAN DIEGO, CA, 92103		5,400.
THE KRESGE FOUNDATION	3215 W. BIG BEAVER ROAD TROY, MI, 48084		350,000.
THE PARKER FOUNDATION	2604-B EL CAMINO REAL, SUITE 244 CARLSBAD, CA, 92008		20,000.
GENUARDI FAMILY FOUNDATION	470 NORRISTOWN ROAD, SUITE 300 BLUE BELL, PA, 19422		5,000.
MARTIN & ENID GLEICH	P.O. BOX 85304 SAN DIEGO, CA, 92186		25,000.
ANTHONY A. GHIO	1671 PASEO BONITA LA JOLLA, CA, 92037		8,000.
FRANK M. & LEE GOLDBERG FOUNDATION	1333 CAMINO DEL RIO SOUTH, #310 SAN DIEGO, CA, 92108		5,000.
HIGGS FLETCHER & MACK LLP	401 WEST A STREET, SUITE 2600 SAN DIEGO, CA, 92101		5,000.
PRICE FAMILY CHARITABLE FUND	7979 IVANHOE AVENUE, SUITE 520 LA JOLLA, CA, 92037		50,000.

TIMOTHY J. SLOAN	1320 WOODSTOCK ROAD SAN MARINO, CA, 91108	6,996.
SUMMIT CONTAINER CORPORATION	P.O. BOX 2005 MONUMENT, CO, 80132	15,000.
TOBY WELLS FOUNDATION	17083 OLD COACH ROAD POWAY, CA, 92064	5,000.
US BANCORP FOUNDATION	5787 CHESAPEAKE COURT, SUITE 201 SAN DIEGO, CA, 92123	10,000.
TOTAL INCLUDED ON LINE 3		<u>1,399,777.</u>

FORM 199 GROSS AMOUNT FROM SALE OF ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
			PURCHASED	
	COST OR OTHER BASIS	DEPREC.	EXPENSE OF SALE	GROSS SALES PRICE
	1,926,494.	0.	0.	1,941,621.
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
			PURCHASED	
	COST OR OTHER BASIS	DEPREC.	EXPENSE OF SALE	GROSS SALES PRICE
	10,387.	0.	0.	1,100.
TOTAL TO FORM 199, PAGE 2, LN 6	1,936,881.	0.	0.	1,942,721.

FORM 199 OTHER INCOME STATEMENT 3

DESCRIPTION	AMOUNT
K-1 COMMERCIAL SITES	2,913.
SAN DIEGO REGIONAL PROGRAM REVENUE	14,307,349.
SERVICES TO THE PUBLIC-OTHER PROGRAM REVENUE	12,336,970.
MEDI-CAL	3,959,405.
PROGRAM WORKSHOP	692,763.
REHABILITATION SERVICES	587,768.
OTHER PROGRAM ACTIVITIES	0.
ALL OTHER PROGRAM SERVICE REVENUE	470,525.
INCOME FROM INVESTMENT OF TAX-EXEMPT BOND PROCEEDS	1,177.
TOTAL TO FORM 199, PART II, LINE 7	32,358,870.

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 FORM 199      COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES      STATEMENT      4
 

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NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
GERALD HANSEN 3030 MARKET STREET SAN DIEGO, CA 92102	1ST VICE CHAIR 1.00	0.
DOUG HOEHN 3030 MARKET STREET SAN DIEGO, CA 92102	BOARD CHAIR 1.00	0.
JERRY WECHSLER 3030 MARKET STREET SAN DIEGO, CA 92102	SECRETARY / TREASURER 1.00	0.
TOM HARMON 3030 MARKET STREET SAN DIEGO, CA 92102	PAST BOARD CHAIR 1.00	0.
HARLAND DEBOER 3030 MARKET STREET SAN DIEGO, CA 92102	MEMBER AT LARGE 1.00	0.
NANCY EAKIN 3030 MARKET STREET SAN DIEGO, CA 92102	MEMBER AT LARGE 1.00	0.
BOB GUTHRIE 3030 MARKET STREET SAN DIEGO, CA 92102	MEMBER AT LARGE 1.00	0.
DWIGHT STRATTON 3030 MARKET STREET SAN DIEGO, CA 92102	MEMBER AT LARGE 1.00	0.
MARLENE WHITESIDE 3030 MARKET STREET SAN DIEGO, CA 92102	MEMBER AT LARGE 1.00	0.
JEWELL HOOPER 3030 MARKET STREET SAN DIEGO, CA 92102	CHAPTER REP 1.00	0.
MARY BARTHOLOMEW 3030 MARKET STREET SAN DIEGO, CA 92102	CHAPTER REP 1.00	0.

JUDY ADAMS 3030 MARKET STREET SAN DIEGO, CA 92102	CHAPTER REP 1.00	0.
DIANE HANSON 3030 MARKET STREET SAN DIEGO, CA 92102	CHAPTER REP 1.00	0.
YRMA NIXON 3030 MARKET STREET SAN DIEGO, CA 92102	CHAPTER REP 1.00	0.
ANNE HOFFMAN -END FEB '10 3030 MARKET STREET SAN DIEGO, CA 92102	CEO 40.00	329,873.
DAVID SCHNEIDER -START APRIL '10 3030 MARKET STREET SAN DIEGO, CA 92102	CEO 40.00	43,215.
RYAN HERREN 3030 MARKET STREET SAN DIEGO, CA 92102	CFO 40.00	79,050.
VICTORIA CENDREDA 3030 MARKET STREET SAN DIEGO, CA 92102	CFO 40.00	37,022.
ANTHONY DESALIS 3030 MARKET STREET SAN DIEGO, CA 92102	COO 40.00	0.
RICH COPPA 3030 MARKET STREET SAN DIEGO, CA 92102	VP OF INFRASTRUCTURE 40.00	0.
TOTAL TO FORM 199, PART II, LINE 11		<u>489,160.</u>

FORM 199	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	AMOUNT
DIRECT PRODUCTION & CON	7,827,184.
PROGRAM SUPPLIES	606,280.
DUES & ASSESSMENTS	312,218.
REPAIRS & MAINTENANCE	275,281.
MISCELLANEOUS	87,897.
DIRECT EXPENSES OF FUNDRAISING EVENTS	116,576.
PENSION PLAN CONTRIBUTIONS	130,325.
OTHER EMPLOYEE BENEFITS	3,033,970.

LEGAL FEES	201,387.
ACCOUNTING FEES	96,579.
OTHER PROFESSIONAL FEES	422,596.
ADVERTISING AND PROMOTION	111,294.
OFFICE EXPENSES	560,281.
TRAVEL	1,026,481.
ALL OTHER EXPENSES	9,173.
TOTAL TO FORM 199, PART II, LINE 17	14,817,522.

FORM 199	INVESTMENTS IN STOCK	STATEMENT	6
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DESCRIPTION	BEG. OF YEAR	END OF YEAR
PUBLICLY TRADED SECURITIES	4,750,586.	4,281,369.
TOTAL TO FORM 199, SCHEDULE L, LINE 7	4,750,586.	4,281,369.

FORM 199	OTHER ASSETS	STATEMENT	7
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DESCRIPTION	BEG. OF YEAR	END OF YEAR
PREPAID EXPENSES AND DEFERRED CHARGES	482,688.	537,042.
BOND RESERVES	1,463,114.	1,481,495.
CHARITABLE REMAINDER TRUST	482,237.	422,168.
DEPOSITS	85,001.	83,914.
CERTIFICATES OF PARTICIPATION	410,074.	398,954.
ENDOWMENT FUND SD FOUNDATION	729,218.	792,386.
INTER-COMPANY RECEIVABLE, THE ARC OF SAN DIEGO FOUNDATION	307,133.	0.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	3,959,465.	3,715,959.

FORM 199	BONDS AND NOTES PAYABLE	STATEMENT	8
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DESCRIPTION	BEG. OF YEAR	END OF YEAR
TAX-EXEMPT BONDS LIABILITIES	12,920,307.	12,781,383.
TOTAL TO FORM 199, SCHEDULE L, LINE 16	12,920,307.	12,781,383.

FORM 199	OTHER LIABILITIES	STATEMENT	9
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
UNSECURED NOTES AND LOANS PAYABLE	72,841.	228,816.	
SECURITY DEPOSIT	5,574.	5,574.	
DEFERRED REVENUE	45,953.	41,892.	
TOTAL TO FORM 199, SCHEDULE L, LINE 18	124,368.	276,282.	

FORM 199	INCOME NOT RECORDED ON BOOKS THIS YEAR	STATEMENT	10
DESCRIPTION		AMOUNT	
PARTNERSHIP INCOME		2,913.	
TOTAL TO FORM 199, SCHEDULE M-1, LINE 4		2,913.	

FORM 199	INCOME RECORDED ON BOOKS THIS YEAR NOT INCLUDED IN THIS RETURN	STATEMENT	11
DESCRIPTION		AMOUNT	
CHANGE IN CHARITABLE REMAINDER TRUST		-60,067.	
UNREALIZED GAIN		382,975.	
ROUNDING		-2.	
TOTAL TO FORM 199, SCHEDULE M-1, LINE 7		322,906.	

# TAX RETURN FILING INSTRUCTIONS

CALIFORNIA FORM 109

FOR THE YEAR ENDING

JUNE 30, 2010

Prepared for	THE ARC OF SAN DIEGO 3030 MARKET STREET SAN DIEGO, CA 92102
Prepared by	MOSS ADAMS LLP 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123
Amount due or refund	NO PAYMENT REQUIRED
Make check payable to	NOT APPLICABLE
Mail tax return and check (if applicable) to	FRANCHISE TAX BOARD P.O. BOX 942857 SACRAMENTO, CA 94257-0700
Return must be mailed on or before	JUNE 15, 2011
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED BY AN AUTHORIZED INDIVIDUAL.

2009

California Exempt Organization  
Business Income Tax Return

109

Calendar Year 2009 or fiscal year beginning month JUL day 1 year 2009, and ending month JUN day 30 year 2010

A First Return Filed?  Yes  No B Is this an education IRA within the meaning of R&TC Section 23712?  Yes  No CORP # 0275306

Corporation/Organization Name THE ARC OF SAN DIEGO FEIN 95-1863913

Address 3030 MARKET STREET

City SAN DIEGO State CA ZIP Code 92102

C Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No  
 D Final Return?  Dissolved  Surrendered (Withdrawn)  Merged/Reorganized (attach explanation)  
 If a box is checked, enter date  
 E Amended Return  Yes  No  
 F Accounting Method Used: (1)  Cash (2)  Accrual (3)  Other  
 G Nature of trade or business SEE STATEMENT 12  
 H Is the organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)?  Yes  No  
 I Is this organization claiming any Enterprise Zone (EZ), Los Angeles Revitalization Zone (LARZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area tax benefits?  Yes  No  
 J Is this organization a qualified pension, profit-sharing, or stock bonus plan as described in IRC Section 401(a)?  Yes  No  
 K Unrelated Business Activity (UBA) Code 531110

Taxable Corporation	1	Unrelated business taxable income from Side 2, Part II, line 30	1	-9,884.00
	2	Multiply line 1 by the average apportionment percentage _____ % from the Schedule R, Apportionment Formula Worksheet, line 6. See instructions	2	-9,884.00
	3	Enter the lesser amount from line 1 or line 2. If line 2 is zero, enter the amount from line 1	3	-9,884.00
Taxable Trust	4	Unrelated business taxable income from Side 2, Part II, line 30	4	00
	5	Unrelated business income from line 3 or line 4	5	-9,884.00
	6	Enterprise zone, LAMBRA, LARZ, TTA, or Pierce's disease losses	6	00
	7	Net Operating Loss deduction. See General Information N	7	00
Tax Computation	8	Add line 6 and line 7	8	0.00
	9	Net unrelated business taxable income. Subtract line 8 from line 5	9	-9,884.00
	10	Tax 8.84 % x line 9. See General Information J	10	0.00
	11a	New jobs credit, amount generated in 2009	11a	00
	11b	New jobs credit, amount claimed in 2009	11b	00
	11c	Tax credits from Schedule B, line 4 and line 11b, Schedule P (100), or Schedule P (541). See Schedule B instructions	11c	00
Total Tax	12	Balance. Subtract line 11c from line 10. If line 11c is greater than line 10, enter -0-	12	0.00
	13	Alternative minimum tax. See General Information Q	13	00
	14	Total tax. Add line 12 and line 13	14	0.
Payments	15	Overpayment from a prior year allowed as a credit	15	00
	16	2009 estimated tax payments. See instructions	16	00
	17	2009 Nonresident or real estate withholding. See instructions	17	00
	18	Amount paid with extension (form FTB 3539)	18	00
	19	Total payments and credits. Add line 15 through line 18	19	00
Refund (Direct Deposit of Refund) or Amount Due	20	Tax due. Subtract line 19 from line 14. Pay entire amount with return	20	0.00
	21	Overpayment. Subtract line 14 from line 19	21	0.00
	22	Enter amount of line 21 to be applied to 2010 estimated tax	22	00
	23	Use tax. See instructions	23	00
	24	Refund. If the sum of line 22 and line 23 is less than line 21, then subtract the total from line 21	24	00
	24a	Fill in the account information to have the refund directly deposited. Routing number	24a	
	24c	Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account Number	24c	
	25	Penalties and interest. See General Information M	25	00
26	Check if estimate penalty computed using Exception B or C and attach form FTB 5806.			
27	Total amount due. Add line 20, line 22, line 23, and line 25, then subtract line 21 from the result	27	0.00	

**Part I Unrelated Trade or Business Income**

1	a Gross receipts or gross sales	b Less returns and allowances	Balance	1c	00	
2	Cost of goods sold and/or operations from Schedule A, line 7				2	00
3	Gross profit. Subtract line 2 from line 1c				3	00
4	a Capital gain net income. See Specific Line Instructions - Trusts attach Schedule D (541)				4a	00
	b Net gain (loss) from Part II, Schedule D-1				4b	00
	c Capital loss deduction for trusts				4c	00
5	Income (or loss) from partnerships, limited liability companies, or S corporations. See specific line instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule			5	2,913.00	
6	Rental income from Schedule C				6	00
7	Unrelated debt-financed income from Schedule D				7	-12,797.00
8	Investment income of an R&TC Section 23701g, 23701i, or 23701n organization from Schedule E				8	00
9	Annuities, interest, rents, and royalties of controlled organizations from Schedule F				9	00
10	Exploited exempt activity income from Schedule G				10	00
11	Advertising income from Schedule H, Part III, Column A				11	00
12	Other income				12	00
13	Total unrelated trade or business income. Add line 3 through line 12			13	-9,884.00	

**Part II Deductions Not Taken Elsewhere** (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees from Schedule I				14	00
15	Salaries and wages				15	00
16	Repairs				16	00
17	Bad debts				17	00
18	Interest				18	00
19	Taxes				19	00
20	Contributions				20	00
21	a Depreciation (Corporations and Associations - Schedule J) (Trusts - form FTB 3885F)	21a	00	21	00	
	b Less: depreciation claimed on Schedule A	21b	00			
22	Depletion				22	00
23	a Contributions to deferred compensation plans			23a	00	
	b Employee benefit programs			23b	00	
24	Other deductions				24	00
25	Total deductions. Add line 14 through line 24				25	00
26	Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13				26	-9,884.00
27	Excess advertising costs from Schedule H, Part III, Column B				27	00
28	Unrelated business taxable income before specific deduction. Subtract line 27 from line 26				28	-9,884.00
29	Specific deduction				29	1,000.00
30	Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28				30	-9,884.00

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Title	C.E.O.	Date	5-6-11	Telephone		
	Preparer's signature		Date	5/4/11	Check if self-employed	<input type="checkbox"/>	Paid Preparer's SSN/PTIN	P00188643	
Paid Preparer's Use Only	Firm's name (or yours, if self-employed) and address	MOSS ADAMS LLP 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123				FEIN	91-0189318	Telephone	858-627-1400
	May the FTB discuss this return with the preparer shown above? See instructions							<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Schedule A Cost of Goods Sold and/or Operations** Method of inventory valuation (specify) N/A

1 Inventory at beginning of year	1	00
2 Purchases	2	00
3 Cost of labor	3	00
4 a Additional IRC Section 263A costs. Attach schedule	4a	00
b Other costs. Attach schedule	4b	00
5 Total. Add line 1 through line 4b	5	00
6 Inventory at end of year	6	00
7 Cost of goods sold and/or operations. Subtract line 6 from line 5. Enter here and on Side 2, Part I, line 2	7	00

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to this organization?  Yes  No

**Schedule B Tax Credits** Do not complete if you must file Schedule P (100 or 541).

1 Enter credit name	code no.	1	00
2 Enter credit name	code no.	2	00
3 Enter credit name	code no.	3	00
4 Total. Add line 1 through line 3. Enter here and on Side 1, line 11c		4	00

**Schedule K Add-On Taxes or Recapture of Tax.**

1 Interest computation under the look-back method for completed long-term contracts. Attach form FTB 3834	1	00
2 Interest on tax attributable to installment: a Sales of certain timeshares or residential lots	2a	00
b Method for non-dealer installment obligations	2b	00
3 IRC Section 197(f)(9)(B)(ii) election to recognize gain on the disposition of intangibles	3	00
4 Credit recapture. Credit name	4	00
5 Total. Combine the amounts on line 1 through line 4	5	00

**Schedule R Apportionment Formula Worksheet**

Use only for unrelated trade or business amounts	(a) Total within and outside California	(b) Total within California	(c) Percent within California (b) ÷ (a)
1 Property factor:			
2 Payroll factor: Wages and other compensation of employees			
3 Sales factor: Gross sales and/or receipts less returns and allowances			
4 Multiply the factor on line 3, column (c) by 2			
5 Total percentage: Add the percentages in column (c), line 1, line 2, and line 4			
6 Average apportionment percentage: Divide the factor on line 5 by 4 and enter the result here and on Form 109, Side 1, line 2. See instructions for exceptions			

**Schedule C Rental Income from Real Property and Personal Property Leased with Real Property**

For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

1 Description of property		2 Rent received or accrued	3 Percentage of rent attributable to personal property	
4 Complete if any item in column 3 is more than 50%, or for any item if the rent is determined on the basis of profit or income		5 Complete if any item in column 3 is more than 10%, but not more than 50%		
(a) Deductions directly connected	(b) Income includible, column 2 less column 4(a)	(a) Gross income reportable, column 2 x column 3	(b) Deductions directly connected with personal property	(c) Net income includible, column 5(a) less column 5(b)
Add column 4(b) and column 5(c). Enter here and on Side 2, Part I, line 6.				

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
			(a) Straight-line depreciation	(b) Other deductions	
<b>AMES RENTAL INCOME</b>		<b>63,900.</b>			<b>STATEMENT 14 77,264.</b>
Total. Enter here and on Side 2, Part I, line 7					
					<b>-12,797.</b>

4 Amount of average acquisition indebtedness on or allocable to debt-financed property	5 Average adjusted basis of or allocable to debt-financed property	6 Debt basis percentage, column 4 ÷ column 5	7 Gross income reportable, column 2 x column 6	8 Allocable deductions, total of columns 3(a) and 3(b) x column 6	9 Net income (or loss) includible, column 7 less column 8
<b>STATEMENT 15 581,068.</b>	<b>STATEMENT 16 606,805.</b>	<b>95.76 %</b>	<b>61,191.</b>	<b>73,988.</b>	<b>-12,797.</b>
		%			
		%			
Total. Enter here and on Side 2, Part I, line 7					<b>-12,797.</b>

**Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization**

1 Description	2 Amount	3 Deductions directly connected	4 Net investment income, column 2 less column 3	5 Set-asides	6 Balance of investment income, column 4 less column 5
Total. Enter here and on Side 2, Part I, line 8					

Enter gross income from members (dues, fees, charges, or similar amounts)

**Schedule F Income (Annuities, Interest, Rents, and Royalties) from Controlled Organizations**

1 Name and address of controlled organizations	2 Gross income from controlled organizations	3 Deductions directly connected with column 2 income	4 Exempt controlled organizations		
			(a) Unrelated business taxable income	(b) Taxable income computed as though not exempt under Section 23701, or the amount in column (a), whichever is greater	(c) Percentage, column (a) ÷ column (b)
					%
					%
					%

5 Nonexempt controlled organizations			6 Gross income reportable, column 2 x column 4(c) or column 5(c)	7 Allowable deductions, column 3 x column 4(c) or column 5(c)	8 Net income includible, column 6 less column 7
(a) Excess taxable income	(b) Taxable income or amount in column (a), whichever is greater	(c) Percentage col. (a) ÷ (b)			
		%			
		%			
		%			

Total. Enter here and on Side 2, Part I, line 9

**Schedule G Exploited Exempt Activity Income, other than Advertising Income**

1 Description of exploited activity (attach schedule if more than one unrelated activity is exploiting the same exempt activity)	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income from unrelated trade or business, column 2 less column 3	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expense, column 6 less column 5 but not more than column 4	8 Net income includible, column 4 less column 7 but not less than zero

Total. Enter here and on Side 2, Part I, line 10

Schedule H Advertising Income and Excess Advertising Costs

Part I Income from Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising income or excess advertising costs, 5 Circulation income, 6 Readership costs, 7 If column 5 is greater than column 6, enter the income shown in column 4, in Part III, column A(b).

Part II Income from Periodicals Reported on a Separate Basis

Table with 7 columns, same structure as Part I, for separate basis reporting.

Part III Column A - Net Advertising Income

Part III Column B - Excess Advertising Costs

Table with 4 columns: (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, column 4 or 7, and amounts listed in Part II, cols. 4 and 7, (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, column 4, and amounts listed in Part II, column 4.

Enter total here and on Side 2, Part I, line 11

Enter total here and on Side 2, Part II, line 27

Schedule I Compensation of Officers, Directors, and Trustees

Table with 6 columns: 1 Name of Officer, 2 SSN or ITIN, 3 Title, 4 Percent of time devoted to business, 5 Compensation attributable to unrelated business, 6 Expense account allowances.

Schedule J Depreciation (Corporations and Associations only. Trusts use form FTB 3885F.)

Table with 7 columns: 1 Group and guideline class or description of property, 2 Date acquired, 3 Cost or other basis, 4 Depreciation allowed or allowable in prior years, 5 Method of computing depreciation, 6 Life or rate, 7 Depreciation for this year.

FORM 109	NATURE OF TRADE OR BUSINESS	STATEMENT 12
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DEBT FINANCED RENTAL INCOME/ PARTNERSHIP RENTAL

TO FORM 109, PAGE 1

FORM 109	INCOME (LOSS) FROM PARTNERSHIPS	STATEMENT 13
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DESCRIPTION	AMOUNT
COMMERCIAL SITES LTD	2,913.
TOTAL TO FORM 109, PAGE 2, LINE 5	2,913.

FORM 109	OTHER DEDUCTIONS	STATEMENT 14
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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INSURANCE		4,513.	
UTILITIES		5,950.	
JANITORIAL SUPPLIES		1,371.	
PROPERTY TAXES		1,025.	
BOND INTEREST		33,303.	
BUILDING REPAIRS AND MAINTENANCE		4,376.	
DEPRECIATION-BLD. & L/H IMPROVEMENTS		26,726.	
- SUBTOTAL -	1		77,264.
TOTAL TO FORM 109, SCHEDULE D, LINE 3B			77,264.

FORM 109	AVERAGE ACQUISITION DEBT ON DEBT-FINANCED PROPERTY	STATEMENT 15
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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ACQUISITION		581,068.	
- SUBTOTAL -	1		581,068.
TOTAL TO FORM 109, SCHEDULE D, LINE 4			581,068.

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FORM 109      AVERAGE ADJUSTED BASIS OF DEBT-FINANCED PROPERTY      STATEMENT 16

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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVERAGE ADJUSTED BASIS		606,805.	
- SUBTOTAL -	1		606,805.
TOTAL TO FORM 109, SCHEDULE D, LINE 5			606,805.