

Return of Organization Exempt From Income Tax

2006

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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

A For the 2006 calendar year, or tax year beginning JUL 1, 2006 and ending JUN 30, 2007

B Check if applicable: X Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: THE ARC OF WINNEBAGO, BOONE & OGLE COUNTIES. D Employer identification number: 36-2804806. E Telephone number: (815) 965-3455. F Accounting method: X Accrual.

G Website: WWW.THEARCOFWINN-BOONE.ORG. H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? X No. H(b) If "Yes," enter number of affiliates: N/A. H(c) Are all affiliates included? N/A. H(d) Is this a separate return filed by an organization covered by a group ruling? X No.

J Organization type: X 501(c)(3). K Check here: if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 800,930. M Check: if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue: 448,672. Total expenses: 411,477. Net assets at end of year: 332,522.

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THE ARC OF WINNEBAGO, BOONE & OGLE
COUNTIES

Form 990 (2006)

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Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 • noncash \$ 0 • If this amount includes foreign grants, check here <input type="checkbox"/> 22a				
22b Other grants and allocations (attach schedule) (cash \$ 0 • noncash \$ 0 • If this amount includes foreign grants, check here <input type="checkbox"/> 22b				
23 Specific assistance to individuals (attach schedule) STATEMENT 6	23 35,320.	35,320.		
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	25a 70,158.	48,690.	11,366.	10,102.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	25b 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 138,831.	96,349.	22,490.	19,992.
27 Pension plan contributions not included on lines 25a, b, and c	27 4,561.	3,149.	745.	667.
28 Employee benefits not included on lines 25a - 27	28 17,610.	12,221.	2,853.	2,536.
29 Payroll taxes	29 20,346.	14,120.	3,296.	2,930.
30 Professional fundraising fees	30			
31 Accounting fees	31 7,906.		7,906.	
32 Legal fees	32			
33 Supplies	33 6,501.	5,526.	516.	459.
34 Telephone	34			
35 Postage and shipping	35 4,292.	2,979.	695.	618.
36 Occupancy	36 22,926.	15,001.	4,813.	3,112.
37 Equipment rental and maintenance	37 9,673.	5,641.	2,861.	1,171.
38 Printing and publications	38 1,264.	877.	205.	182.
39 Travel	39 2,625.	2,625.		
40 Conferences, conventions, and meetings	40 1,662.	1,662.		
41 Interest	41 9,893.	6,865.	1,603.	1,425.
42 Depreciation, depletion, etc. (attach schedule)	42 15,617.	9,537.	4,990.	1,090.
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 5	43g 42,292.	10,780.	7,830.	23,682.
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 411,477.	271,342.	72,169.	67,966.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A, (ii) the amount allocated to Program services \$ N/A,
 (iii) the amount allocated to Management and general \$ N/A, and (iv) the amount allocated to Fundraising \$ N/A

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Form 990 (2006)

Part III Statement of Program Service Accomplishments (See the instructions.)

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

What is the organization's primary exempt purpose? ▶ SERVICES FOR DEVELOPMENTALLY DISABLED INDIVIDUALS	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a <u>THE ARC SUPPORTS INDIVIDUALS WITH MENTAL RETARDATION, DEVELOPMENTAL DELAYS OR DISABILITIES THROUGH INDEPENDENT LIVING OUTREACH, GUARDIANSHIP ASSISTANCE, FAMILY SUPPORT AND TRAINING, AND PROVIDES A LOCAL RESOURCE CENTER.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	271,342.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	271,342.

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Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	96,867.	45	112,997.
	46 Savings and temporary cash investments	216,967.	46	250,240.
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable	6,598.	49	6,237.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	1,414.	53	1,346.
	54 a Investments - publicly-traded securities STMT 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	24,840.	54a	25,190.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment: basis	55a			
b Less accumulated depreciation	55b	55c		
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a 383,843.			
b Less accumulated depreciation	57b 73,542.	138,235.	57c 310,301.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> INTEREST RECEIVABLE)		542.	58 22.	
59 Total assets (must equal line 74). Add lines 45 through 58		485,463.	59 706,333.	
Liabilities	60 Accounts payable and accrued expenses	17,209.	60	26,787.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	197,017.
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 7)		181,993.	65 150,007.
66 Total liabilities. Add lines 60 through 65		199,202.	66 373,811.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	239,808.	67	316,250.
	68 Temporarily restricted	46,453.	68	16,272.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		286,261.	73 332,522.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		485,463.	74 706,333.	

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Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members		
	85c N/A		
d	Section 162(e) lobbying and political expenditures		
	85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
85g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
85h			
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
	86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
	87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
88b			
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.		
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed ▶ IL		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	8
91 a	The books are in care of ▶ LINDA BARRINGER Telephone no ▶ 815-965-3455 Located at ▶ 1222 EAST STATE ST., ROCKFORD IL ZIP + 4 ▶ 61104		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

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Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country N/A

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a FEES FOR SERVICES					71,048.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					1,720.
95 Interest on savings and temporary cash investments			14	9,370.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property			30	9,104.	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	24,672.	
101 Net income or (loss) from special events					88,454.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS			01	4,211.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		47,357.	161,222.
105 Total (add line 104, columns (B), (D), and (E))					208,579.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 12

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

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

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

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

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

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

Form 990 (2006)

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COUNTIES

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Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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

Please Sign Here

Signature of officer: *Nancy Adamany* Date: 10-15-07

Type or print name and title: NANCY ADAMANY, PRESIDENT

Paid Preparer's Use Only

Preparer's signature: *Janis A. Gungl* Date: 10/8/07 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: LINDGREN, CALLIHAN, VAN OSDOL & CO, LTD
PO BOX 5407
ROCKFORD, IL 61125-0407

EIN: Preparer's SSN or PTIN (See Gen Inst X): Phone no: (815) 399-7700

Form 990 (2006)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2006

Name of the organization **THE ARC OF WINNEBAGO, BOONE & OGLE COUNTIES** Employer identification number **36 2804806**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter "None " See page 2 of the instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					►

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

THE ARC OF WINNEBAGO, BOONE & OGLE

Schedule A (Form 990 or 990-EZ) 2006 **COUNTIES**

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

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	272,395.	243,659.	231,806.	209,438.	957,298.
16 Membership fees received	1,150.	1,282.	2,456.	3,073.	7,961.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	344,171.	311,303.	263,618.	320,050.	1,239,142.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	6,304.	1,937.	2,590.	4,023.	14,854.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	624,020.	558,181.	500,470.	536,584.	2,219,255.
24 Line 23 minus line 17	279,849.	246,878.	236,852.	216,534.	980,113.
25 Enter 1% of line 23	6,240.	5,582.	5,005.	5,366.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts	26b	N/A
c Total support for section 509(a)(1) test Enter line 24, column (e)	26c	N/A
d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____	26d	N/A
e Public support (line 26c minus line 26d total)	26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year (2005) 0. (2004) 0. (2003) 0. (2002) 0.		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2005) 0. (2004) 0. (2003) 0. (2002) 0.		
c Add Amounts from column (e) for lines 15 957,298. 16 7,961. 17 1,239,142. 20 _____ 21 _____	27c	2,204,401.
d Add Line 27a total 0. and line 27b total 0.	27d	0.
e Public support (line 27c total minus line 27d total)	27e	2,204,401.
f Total support for section 509(a)(2) test Enter amount on line 23, column (e)	27f	2,219,255.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	99.3307%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	.6693%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See page 9 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
<hr/>			
<hr/>			
32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -	}	
Not over \$500,000 20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000 \$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
	a Volunteers		
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

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

FORM 990

RENTAL INCOME

STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
OFFICE BUILDING- ROCKFORD, IL	1	9,104.
TOTAL TO FORM 990, PART I, LINE 6A		9,104.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
LAND	09/02/98	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	21,205.	15,000.	1,607.	0.	4,598.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
BUILDING	09/02/98	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	126,173.	115,389.	9,559.	25,395.	26,620.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
TWO ADA DOOR OPERATORS	03/15/99	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	0.	3,349.	0.	3,349.	0.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
CARPET AND INSTALLATION	03/15/99	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	0.	1,110.	0.	1,110.	0.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
ELECT INSTALL/FRONT DOORS	04/23/99	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	0.	144.	0.	144.	0.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
REMODELING	11/24/99	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	0.	3,144.	0.	591.	<2,553.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
3 DOORS AND EMERGENCY LIGHT	07/19/00	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	0.	1,293.	0.	1,178.	<115.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
GUTTERS	12/15/00	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	45.	531.	0.	85.	<401.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
WINDOWS	01/12/01	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	962.	9,525.	73.	1,506.	<7,130.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
FURNANCE	03/11/02	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	757.	2,250.	50.	1,848.	305.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
SECURITY SYSTEM	03/28/02	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	644.	1,913.	0.	1,572.	303.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
NEW ROOF	11/21/03	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	5,519.	5,167.	418.	1,390.	1,324.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
BACK DOOR HANDICAP ENTRANCE	10/08/03	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	2,739.	2,584.	207.	695.	643.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
KITCHEN CABINETS	02/03/04	03/15/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	937.	1,295.	0.	810.	452.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
WATER HEATER	07/22/03	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	288.	475.	0.	297.	110.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
NEW ELECTRIC DOOR	12/06/04	03/15/07	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
M.B. DEVELOPMENT GROUP, LLC	731.	820.	0.	605.	516.

TO FM 990, PART I, LN 8	160,000.	163,989.	11,914.	40,575.	24,672.
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FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GREAT HOME GIVE AWAY ON THE WATERFRONT	356,739.	61,168.	295,571.	208,643.	86,928.
OTHER	6,713.		6,713.	5,035.	1,678.
MINI RAFFLE	6,108.	3,008.	3,100.	3,220.	<32.>
TO FM 990, PART I, LINE 9	369,560.	64,176.	305,384.	216,930.	<120.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENT SECURITIES	350.
BOOK GAIN ON SALE OF ASSETS EXCEEDED TAX GAIN	8,716.
TOTAL TO FORM 990, PART I, LINE 20	9,066.

FORM 990	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACTUAL AND CONSULTANTS	35,791.	5,850.	6,690.	23,251.
NON-CAPITALIZED EQUIPMENT	1,125.	781.	182.	162.
DUES AND SUBSCRIPTIONS	2,127.	2,127.		
ADVERTISING AND PUBLIC RELATIONS	1,870.	1,298.	303.	269.
OTHER	1,379.	724.	655.	0.
TOTAL TO FM 990, LN 43	42,292.	10,780.	7,830.	23,682.

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT 6
DESCRIPTION		AMOUNT
DIRECT COSTS PAID FOR THE BENEFIT OF CLIENTS		35,320.
TOTAL TO FORM 990, PART II, LINE 23		35,320.

FORM 990	OTHER LIABILITIES	STATEMENT 7
DESCRIPTION		AMOUNT
DUE TO ILOP CLIENTS		82,529.
CONTRACT PAYABLE		67,478.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		150,007.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 8

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
HARRIS PFD CAP STOCK	FMV	25,190.			25,190.
TO FORM 990, LINE 54A, COL B		25,190.			25,190.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 9

DESCRIPTION	AMOUNT
GAIN ON SALE OF ASSETS	8,716.
DIRECT EXPENSES ON SPECIAL EVENTS	37,965.
TOTAL TO FORM 990, PART IV-A	46,681.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 10

DESCRIPTION	AMOUNT
DIRECT EXPENSES ON SPECIAL EVENTS	37,965.
ROUNDING	1.
TOTAL TO FORM 990, PART IV-B	37,966.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, STATEMENT 11
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
AGNES KIRKPATRICK 400 N FIRST STREET ROCKFORD, IL 61107	PAST-PRESIDENT 0.00	0.	0.	0.
BETTY MCGEE 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
BILL JOHANNES 400 N FIRST STREET ROCKFORD, IL 61107	VICE- PRESIDENT 0.00	0.	0.	0.
CAROLINE GUERRIN 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
DEB WEBB 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
EJ CROWLEY 400 N FIRST STREET ROCKFORD, IL 61107	MEMBER AT LARGE 0.00	0.	0.	0.
JACKIE NEIL BOSS 400 N FIRST STREET ROCKFORD, IL 61107	EXECUTIVE DIRECTOR 40.00	67,418.	2,740.	0.
JIM BOTTOMS 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
JIM COOPER 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
JOHN FUNDERBEURG 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
LAIRD LAMBERT 400 N FIRST STREET ROCKFORD, IL 61107	SECRETARY 0.00	0.	0.	0.

NANCY ADAMANY 400 N FIRST STREET ROCKFORD, IL 61107	PRESIDENT 0.00	0.	0.	0.
PAT KOLB 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
WALTER BOOTHE 400 N FIRST STREET ROCKFORD, IL 61107	TREASURER 0.00	0.	0.	0.
JACK BERTI 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
RICHARD HAEFELE 400 N FIRST STREET ROCKFORD, IL 61107	BOARD MEMBER 0.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>67,418.</u>	<u>2,740.</u>	<u>0.</u>

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 12
 ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	GOVERNMENT FEES AND OTHERS COLLECTED FOR SERVICES PROVIDED TO CLIENTS ASSOCIATED WITH FAMILY SUPPORT AND GUARDIANSHIP ASSISTANCE.
94	THE ORGANIZATION OFFERS MEMBERSHIPS TO INDIVIDUALS AND BUSINESSES WITH -IN ITS SERVICE AREA. THE MEMBERSHIP DUES ENTITLES THE MEMBERS TO A MONTHLY NEWSLETTER, DISCOUNTS ON SPECIAL EVENTS, USE OF THE COMMUNITY ROOM, TRAINING SESSIONS, AND OTHER ACTIVITIES.
101	THE ORGANIZATION HOLDS OR PARTICIPATES IN VARIOUS FUNDRAISING EVENTS DURING THE YEAR TO HELP RAISE FUNDS TO SUPPORT ITS PROGRAM ACTIVITIES. THESE ACTIVITIES INCLUDE IDEAS TO HELP PROMOTE THE PROGRAMS THE ORGANIZATION MAINTAINS.

The ARC of Winnebago, Boone, & Ogle Counties
Form 990
June 30, 2007
36-2804806

Page 3, Part IV Balance Sheets, Lines 57a & 57b

	Cost	Accumulated Depreciation	Net Book Value
Land	\$ 79,200		\$ 79,200
Building	188,271	\$ 4,184	184,087
Building improvements	28,379	515	27,864
Office furniture and equipment	71,920	61,074	10,846
Vehicle	16,073	7,769	8,304
	<u>\$ 383,843</u>	<u>\$ 73,542</u>	<u>\$ 310,301</u>