PUBLIC DISCLOSURE COPY - STATE REGISTRATION No. 01-54-20

Form **990**

Department of the Treasury
Internal Revenue Service

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.

OMB No. 1545-0047

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning and ending

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Termination [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: NYSARC Inc. Orleans County Chapter

Number and street (or P.O. box if mail is not delivered to street address) / Room/suite: P.O. Box 439 122 Caroline Street

City or town, state or country, and ZIP + 4: Albion, NY 14411-1006

D Employer identification number 23-7150957

E Telephone number (585)589-5516

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

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

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) If "Yes," enter number of affiliates ▶ N/A

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [X] Yes [ ] No

I Group Exemption Number ▶ 1256

G Website: ▶www.arcoforleans.org

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

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. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

M Check ▶ [X] if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 11,187,411.

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	179,856.		
	c	Indirect public support (not included on line 1a)	1c	19,800.		
	d	Government contributions (grants) (not included on line 1a)	1d	5,289,960.		
	e	**Total** (add lines 1a through 1d) (cash $ 5,489,616. noncash $)			1e	5,489,616.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	5,531,027.
	3	Membership dues and assessments			3	14,881.
	4	Interest on savings and temporary cash investments			4	
	5	Dividends and interest from securities			5	9,401.
	6 a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a			6c	
	7	Other investment income (describe ▶)			7	
	8 a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other:	8a			
	b	Less: cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)			8d	
	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ [ ]				
	a	Gross revenue (not including $ 33,499. of contributions reported on line 1b)	9a	52,114.		
	b	Less: direct expenses other than fundraising expenses	9b	64,039.		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a See Statement 1			9c	<11,925.>
	10 a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c	
	11	Other revenue (from Part VII, line 103)			11	90,372.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	11,123,372.
Expenses	13	Program services (from line 44, column (B))			13	9,865,900.
	14	Management and general (from line 44, column (C))			14	1,142,385.
	15	Fundraising (from line 44, column (D))			15	108,154.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	11,116,439.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	6,933.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	1,405,550.
	20	Other changes in net assets or fund balances (attach explanation) See Statement 2			20	19,443.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	1,431,926.

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 ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22b				
23 Specific assistance to individuals (attach schedule)	23				
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	117,994.	0.	115,635.	2,359.
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	6,265,663.	5,779,924.	447,651.	38,088.
27 Pension plan contributions not included on lines 25a, b, and c	27	182,433.	148,717.	31,862.	1,854.
28 Employee benefits not included on lines 25a - 27	28	1,010,940.	916,197.	89,259.	5,484.
29 Payroll taxes	29	656,671.	599,004.	54,419.	3,248.
30 Professional fundraising fees	30				
31 Accounting fees	31	46,615.		46,615.	
32 Legal fees	32	7,483.		7,483.	
33 Supplies	33	70,121.	69,003.	1,118.	
34 Telephone	34	62,268.	57,007.	5,261.	
35 Postage and shipping	35	53,567.	35,409.	16,055.	2,103.
36 Occupancy	36				
37 Equipment rental and maintenance	37	201,539.	135,177.	62,999.	3,363.
38 Printing and publications	38				
39 Travel	39	81,967.	78,077.	3,510.	380.
40 Conferences, conventions, and meetings	40				
41 Interest	41	99,528.	54,784.	44,744.	
42 Depreciation, depletion, etc. (attach schedule)	42	329,438.	287,364.	41,902.	172.
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g See Statement 3	43g	1,930,212.	1,705,237.	173,872.	51,103.
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	11,116,439.	9,865,900.	1,142,385.	108,154.

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

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? ▶ See Statement 5 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.)	**Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a ARC operates various programs for which funding is derived from operating contracts with Orleans County (New York State) and other human welfare agencies. Services include summer camp, respite care, service coordination & family services (423 clients).	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	725,056.
b Vocational services-training program for handicapped individuals (150 clients).	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,293,959.
c See Statement 4	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	2,840,306.
d The preschool is a licensed development program that offers special education programs and services free of charge to children with significant learning disabilities such as speech/language impairments, emotional disturbances, etc. (310 clients).	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	3,847,151.
e Other program services (attach schedule) See Statement 6	
(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	159,428.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	9,865,900.

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.*

	Line	Description			(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing			2,172.	45	2,305.
	46	Savings and temporary cash investments			29,356.	46	46,585.
	47 a	Accounts receivable	47a	2,169,854.			
	b	Less: allowance for doubtful accounts	47b	25,000.	1,616,864.	47c	2,144,854.
	48 a	Pledges receivable	48a	2,000.			
	b	Less: allowance for doubtful accounts	48b		2,000.	48c	2,000.
	49	Grants receivable				49	
	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			13,968.	53	74,382.
	54 a	Investments - publicly-traded securities Stmt 12 ▶ ☐ Cost ☒ FMV			244,241.	54a	279,207.
	b	Investments - other securities ▶ ☐ Cost ☐ FMV				54b	
	55 a	Investments - land, buildings, and equipment: basis	55a				
	b	Less: accumulated depreciation	55b			55c	
	56	Investments - other See Statement 7			13,269.	56	14,918.
	57 a	Land, buildings, and equipment: basis	57a	4,555,007.			
	b	Less: accumulated depreciation Stmt 8	57b	2,616,389.	1,791,868.	57c	1,938,618.
	58	Other assets, including program-related investments (describe ▶ See Statement 9)			195,995.	58	261,099.
	59	**Total assets** (must equal line 74). Add lines 45 through 58			3,909,733.	59	4,763,968.
Liabilities	60	Accounts payable and accrued expenses			645,211.	60	757,457.
	61	Grants payable				61	
	62	Deferred revenue			211,420.	62	84,904.
	63	Loans from officers, directors, trustees, and key employees				63	
	64 a	Tax-exempt bond liabilities Stmt 10			990,926.	64a	980,570.
	b	Mortgages and other notes payable Stmt 11			624,236.	64b	1,479,831.
	65	Other liabilities (describe ▶ Premium on bonds payable)			32,390.	65	29,280.
	66	**Total liabilities.** Add lines 60 through 65			2,504,183.	66	3,332,042.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** ☒ and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted			1,249,441.	67	1,222,323.
	68	Temporarily restricted			5,211.	68	36,393.
	69	Permanently restricted			150,898.	69	173,210.
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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)			1,405,550.	73	1,431,926.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73			3,909,733.	74	4,763,968.

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

a	Total revenue, gains, and other support per audited financial statements			a	11206854.
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1	19,443.		
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify): Special Events Expense	b4	64,039.		
	Add lines **b1** through **b4**			b	83,482.
c	Subtract line **b** from line **a**			c	11123372.
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	11123372.

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

a	Total expenses and losses per audited financial statements			a	11180478.
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify): Special Events Expense	b4	64,039.		
	Add lines **b1** through **b4**			b	64,039.
c	Subtract line **b** from line **a**			c	11116439.
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total expenses** (Part I, line 17). Add lines **c** and **d** ▶			e	11116439.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
See Statement 13		92,467.	22,059.	3,468.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 12		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) — 75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." — 75c		X
	If "Yes," attach a statement that includes the information described in the instructions.		
d	Does the organization have a written conflict of interest policy? — 75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
None				

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

		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change See Statement 14 — 76	X	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. — 77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? — 78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A — 78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement — 79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? — 80a	X	
b	If "Yes," enter the name of the organization ▶ Rainbow Realty Development Corporation and check whether it is [X] exempt or [ ] nonexempt		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0.		
b	Did the organization file **Form 1120-POL** for this year? — 81b		X

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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?	82a	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: 11,800.			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to *quid pro quo* contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	X	
85 a	*501(c)(4), (5), or (6).* Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b		
	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	88a		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 ▶	88b		X
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	89b		X
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.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	*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?	89g		X

90 a List the states with which a copy of this return is filed ▶ NY

b Number of employees employed in the pay period that includes March 12, 2007 — 90b: 322

91 a The books are in care of ▶ Mr. Don Colquhoun Telephone no. ▶ (585)589-5516

Located at ▶ 122 Caroline Street, Albion, NY ZIP + 4 ▶ 14411

			Yes	No
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)?	91b		X
	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.			

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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? If "Yes," enter the name of the foreign country ▶ N/A	91c		X
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		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a See Statement 15					5,531,027.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					14,881.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	9,401.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					<11,925.>
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a Miscellaneous					90,372.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		9,401.	5,624,355.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 5,633,756.

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 16

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).*

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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

	Yes	No
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			

	Yes	No
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			

	Yes	No
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?		

Please Sign Here

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

Kellie A Spychalski — Signature of officer — Date 5/15/08

Kellie Spychalski, Acting Exec Director — Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN (See Gen. Inst. X)
Jonathan Mitts	5/14/08	☐	

Firm's name (or yours if self-employed), address, and ZIP + 4: Bonadio & Co., LLP, 171 Sully's Trail, Suite 201, Pittsford, New York 14534

EIN

Phone no. (585) 381-1000

Form **990** (2007)

723164/12-27-07

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

2007

Name of the organization: NYSARC Inc. Orleans County Chapter

Employer identification number: 23 7150957

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

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Theresa Lehman 122 Caroline Street, Albion, NY 14411	Dir. Educ./Clinic 40.00	96,361.	13,730.	0.
Carole Fournier 122 Caroline Street, Albion, NY 14411	OT manager 25.00	57,599.	3,981.	0.
Glenn Coykendall 122 Caroline Street, Albion, NY 14411	IT Manager 40.00	62,623.	4,232.	0.
Linda Dressler 122 Caroline Street, Albion, NY 14411	Speech Pathologist 37.50	56,912.	11,182.	0.
Lisa Steen 122 Caroline Street, Albion, NY 14411	Physical Therapist 37.50	57,145.	3,959.	0.
Total number of other employees paid over $50,000 ▶	3			

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
Bonadio & Co., LLP 171 Sully's Trail, Pittsford, NY 14534	Audit and Compliance	67,494.
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 III **Statements About Activities** (See page 2 of the instructions.)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? See Statement 17	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d		X
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶		N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶		N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶		0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶		0.	

Schedule A (Form 990 or 990-EZ) 2007

723111
12-27-07

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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 [X] 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 8 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? Yes	No	(e) Amount of support
Total ▶					

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

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

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	5,624,647.	5,160,768.	5,314,858.	3,932,423.	20,032,696.
16 Membership fees received	14,385.	13,533.	11,670.	13,376.	52,964.
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	5,166,553.	4,974,001.	4,561,858.	4,433,060.	19,135,472.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	11,041.	4,482.	3,292.	2,408.	21,223.
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	55,770.	171,368.	See Statement 18 165,451.	118,187.	510,776.
23 Total of lines 15 through 22	10872396.	10324152.	10057129.	8,499,454.	39,753,131.
24 Line 23 minus line 17	5,705,843.	5,350,151.	5,495,271.	4,066,394.	20,617,659.
25 Enter 1% of line 23	108,724.	103,242.	100,571.	84,995.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ **26a** 412,353.

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 2003 through 2006 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 0.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** 20,617,659.

d Add: Amounts from column (e) for lines: 18 21,223. 19 ______ 22 510,776. 26b ______ ▶ **26d** 531,999.

e Public support (line 26c minus line 26d total) ▶ **26e** 20,085,660.

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ **26f** 97.4197 %

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: N/A

(2006) ______ (2005) ______ (2004) ______ (2003) ______

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: N/A

(2006) ______ (2005) ______ (2004) ______ (2003) ______

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ **27c** N/A

d Add: Line 27a total ______ and line 27b total ______ ▶ **27d** N/A

e Public support (line 27c total minus line 27d total) ▶ **27e** N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27f** N/A

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ **27g** N/A %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ **27h** N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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.

None

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

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 11 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	41		
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.)

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 of the instructions.)

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 14 of the instructions.)

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

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

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

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
ai	150.	Rainbow Realty Development Corporation	See Statement 19
biii	44,232.	Rainbow Realty Development Corporation	

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

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
Rainbow Realty Development Corporation	501(C)(2)	See Statement 20

723152
12-27-07

17450513 784124 ORLEANS.ARC 2007.05060 NYSARC Inc. Orleans County ORLEANS1

Asset Number	Description of property / Date placed in service	Method/ IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	Land							
	Varies	L			78,600.			0.
	Equipment							
	Varies	SL	.000	16	652,408.		479,218.	0.
	Improvements							
	Varies	SL	.000	16	867,487.		440,298.	0.
	Vehicles							
	Varies	SL	.000	16	713,416.		536,011.	0.
	Buildings							
	Varies	SL	.000	16	2,196,659.		1160862.	0.
	Construction in Progress							
	Varies		.000	16	46,437.			0.
	* Total 990 Page 2 Depr							
					4,555,007.	0.	2616389.	0.

716261
04-27-07

- Current year section 179 (D) - Asset disposed

Form 990 — Special Events and Activities — Statement 1

Description of Event	Gross Receipts	Contribut. Included	Gross Revenue	Direct Expenses	Net Income or (Loss)
Spell-a-thon	6,797.		6,797.	1,566.	5,231.
TK memorial walk/run	1,650.		1,650.	1,120.	530.
Golf Tournament	22,481.	15,745.	6,736.	10,461.	<3,725.>
Signature series event	43,638.	17,754.	25,884.	41,645.	<15,761.>
Lottery Calendars	11,047.		11,047.	9,247.	1,800.
To Fm 990, Part I, line 9	85,613.	33,499.	52,114.	64,039.	<11,925.>

Form 990 — Other Changes in Net Assets or Fund Balances — Statement 2

Description	Amount
Unrealized gain on investments	19,443.
Total to Form 990, Part I, line 20	19,443.

Form 990 — Other Expenses — Statement 3

Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
Consumer wages and production	565,548.	565,548.		
Utilities	149,053.	137,496.	11,557.	
Insurance	78,043.	67,299.	10,744.	
Expensed equipment	22,677.	18,451.	4,152.	74.
Bad debts	2,813.	2,813.		
Other	159,273.	26,073.	83,841.	49,359.
Professional services	32,563.	32,563.	0.	
Food	93,016.	93,016.		
Participant related transportation	216,713.	216,713.		
Staff development	21,594.	15,263.	4,661.	1,670.
Participant related incidentals	71,638.	71,638.		
Outside services	115,345.	57,936.	57,409.	
Rent	377,916.	376,408.	1,508.	
Subcontract raw materials	24,020.	24,020.		
Total to Fm 990, ln 43	1,930,212.	1,705,237.	173,872.	51,103.

Form 990	Statement of Program Service Accomplishments	Statement 4

Description of Program Service Three

Community living - provides three kinds of services: 24-hour supervised apartments, supportive assisted living with less than 24 hours per day supervision, based on individual needs, and differing levels of support to those living at home with family or independently in the community. Supervision and services consists of teaching daily living skills, budgeting, parenting supports, etc. (117 clients).

	Grants	Expenses
To Form 990, Part III, line c		2,840,306.

Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement 5

Explanation

To provide support, advocacy and a variety of services and opportunities primarily for individuals with disabilities and their families, to pursue their desired quality of life.

Form 990	Other Program Services	Statement 6

Description of Other Program Services	Grants and Allocations	Expenses
Clinic services	0.	159,428.
Total to Form 990, Part III, line e		159,428.

Form 990 Other Investments Statement 7

Description	Valuation Method	Amount
Certificates of Deposit	Market Value	14,918.
Total to Form 990, Part IV, line 56, Column B		14,918.

Form 990 Depreciation of Assets Not Held for Investment Statement 8

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land	78,600.	0.	78,600.
Equipment	652,408.	479,218.	173,190.
Improvements	867,487.	440,298.	427,189.
Vehicles	713,416.	536,011.	177,405.
Buildings	2,196,659.	1,160,862.	1,035,797.
Construction in Progress	46,437.	0.	46,437.
Total to Form 990, Part IV, ln 57	4,555,007.	2,616,389.	1,938,618.

Form 990 Other Assets Statement 9

Description	Beginning of Year	End of Year
Security deposits	13,556.	16,941.
Cash - reserved for debt retirement	85,662.	85,662.
Debt issue costs, net	39,343.	35,726.
Due from affiliate	52,857.	62,621.
Escrow reserve	4,577.	7,251.
Start up Costs	0.	52,898.
Total to Form 990, Part IV, line 58, Column B	195,995.	261,099.

Form 990 Tax-Exempt Bond Liabilities Outstanding Statement 10

Purpose of Issue

Caroline Bond Payable

Use by Third Party	Unexpended Bond Proceeds	Amount of Issue Outstanding
NO	0.	298,620.

Purpose of Issue

West Ave Bond Payable

Use by Third Party	Unexpended Bond Proceeds	Amount of Issue Outstanding
NO	0.	121,476.

Purpose of Issue

Marshall Road Bond Payable

Use by Third Party	Unexpended Bond Proceeds	Amount of Issue Outstanding
NO	0.	302,523.

Purpose of Issue

NYSARC - Automobiles, computer equipment & phone system

Use by Third Party	Unexpended Bond Proceeds	Amount of Issue Outstanding
NO	0.	257,951.

Total included on Form 990, Part IV, Line 64a 980,570.

Form 990	Mortgages Payable	Statement 11

Description	Balance Due
Line-of-credit	1,479,831.
Total included on Form 990, Part IV, line 64b, Column B	1,479,831.

Form 990	Non-Government Securities	Statement 12

Security Description	Cost/FMV	Corporate Stocks	Corporate Bonds	Other Publicly Traded Securities	Total Non-Gov't Securities
VANGUARD 500 Index Fund	FMV	131,963.			131,963.
VANGUARD Bond Fund	FMV		44,970.		44,970.
Etrade balance	FMV	88,134.			88,134.
Stocks - Endowment	FMV	14,140.			14,140.
To Form 990, line 54a, Col B		234,237.	44,970.		279,207.

Form 990 Part V-A - List of Current Officers, Directors, Trustees and Key Employees Statement 13

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Contrib	Expense Account
Dean Wolfe P.O. Box 439, 122 Caroline Street Albion, NY 14411	Secretary 1.00	0.	0.	0.
Kim Wendling P.O. Box 439, 122 Caroline Street Albion, NY 14411	Treasurer 1.00	0.	0.	0.
Rev. Kenneth Degnan P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
Linda Doherty P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
Gladys Hopper P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
John Huber P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
James Scharping P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
Mary Lou Tuohey P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
Donald Allport P.O. Box 439, 122 Caroline Street Albion, NY 14411	Board Member 1.00	0.	0.	0.
Donald Colquhoun P.O. Box 439, 122 Caroline Street Albion, NY 14411	Executive Director 40.00	92,467.	22,059.	3,468.
Marlene Hill P.O. Box 439, 122 Caroline Street Albion, NY 14411	President 1.00	0.	0.	0.
Totals Included on Form 990, Part V-A		92,467.	22,059.	3,468.

Form 990 | Statement of Changes in Activities Part VI, Line 76 | Statement 14

Explanation

The article 16 Satellite Clinic closed. It was taken over by NYSARC Inc., Wayne County Chapter.

Form 990 | Program Service Revenue | Statement 15

Description	Bus Code	Unrelated Business Inc	Excl Code	Excluded Amount	Related or Exempt Function Income
Community residential					589,453.
Contract revenue					558,349.
Medicaid					4,144,396.
Exempt income contract					250,665.
Prior year revenue adjustments					<11,836.>
To Form 990, Part VII, line 93					5,531,027.

Form 990 | Part VIII - Relationship of Activities to Accomplishment of Exempt Purposes | Statement 16

Line	Explanation of Relationship of Activities
93	This funding ensures quality care for children
94	and adults with developmental and other disabilities.
103A	other disabilities.
101	Income from special events are used to ensure quality care for
101	children and adults with developmental and other disabilities.

Schedule A | Explanation of Transactions Part III, Line 2c | Statement 17

A consumer and family members of consumers serve on the Board of Directors.

Schedule A Other Income Statement 18

Description	2006 Amount	2005 Amount	2004 Amount	2003 Amount
Division of youth	0.	6,795.	6,395.	6,209.
USDA summer food program	0.	3,418.	4,183.	1,764.
Nursery friends tuition	0.	6,503.	5,277.	5,738.
Program user fees	0.	49,484.	45,517.	34,967.
Miscellaneous	47,998.	32,390.	29,337.	20,392.
Management fees	0.	3,368.	3,552.	3,953.
Day care fees	6,171.	11,327.	7,746.	36,585.
Transportation	0.	0.	739.	8,579.
GLOW/WIB Disabilities Program Navigator	0.	58,083.	62,705.	0.
Gain/Loss on Sale/Disposal	1,601.	0.	0.	0.
Total to Schedule A, line 22	55,770.	171,368.	165,451.	118,187.

Schedule A | Involvement With Noncharitable Organizations Part VII, Line 51, Column (d) | Statement 19

Name of Noncharitable Exempt Organization

Rainbow Realty Development Corporation

Description of Transfers, Transactions, and Sharing Arrangements

Replenish Bank Account to cover Bank fees and payment of rent for use of building (line ai on Schedule A part VII)

Schedule A — Affiliation with Tax-Exempt Organizations, Part VII, Line 52, Column (c) — Statement 20

Name of Affiliated or Related Organization

Rainbow Realty Development Corporation

Description of Relationship with Affiliated or Related Organization

Title holding corporation formed for the express purpose of acquiring and holding property for the benefit of NYSARC, Inc., Orleans County Chapter.