

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)

2006

Department of the Treasury
Internal Revenue ServiceOpen 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 7/01, 2006, and ending 6/30, 2007

B Check if applicable:

☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☒ Amended return
☐ Application pending

C Please use IRS label or print or type. See specific instructions.

ARC OF DAVIDSON COUNTY
111 N. WILSON BOULEVARD
NASHVILLE, TN 37205-2411

D Employer Identification Number
62-0588710

E Telephone number
(615) 321-5699

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

G Web site: WWW.ARCDC.ORG

J Organization type (check only one) ☒ 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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12... 3,182,522.

H and **I** are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? ... ☐ Yes ☒ No

H (b) If "Yes," enter number of affiliates _____

H (c) Are all affiliates included? ... ☐ Yes ☐ No
(If "No," attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number. _____

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

Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

REVENUE	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1 a			
	b	Direct public support (not included on line 1a)	1 b	766,964.		
	c	Indirect public support (not included on line 1a)	1 c	14,801.		
	d	Government contributions (grants) (not included on line 1a)	1 d	1,625,511.		
	e	Total (add lines 1a through 1d) (cash \$ 1,875,236. noncash \$ 532,040.)	1 e		2,407,276.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3	Membership dues and assessments	3		1,295.	
	4	Interest on savings and temporary cash investments	4		8,911.	
	5	Dividends and interest from securities	5			
	6a	Gross rents	6 a			
	b	Less: rental expenses	6 b			
	c	Net rental income or (loss). Subtract line 6b from line 6a	6 c			
	7	Other investment income (describe _____)	7			
	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b	Less: cost or other basis and sales expenses	8 a			
	c	Gain or (loss) (attach schedule)	8 b			
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8 c			
	8 d		8 d			
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9 a			
	b	Less: direct expenses other than fundraising expenses	9 b			
	c	Net income or (loss) from special events. Subtract line 9b from line 9a	9 c			
	10a	Gross sales of inventory, less returns and allowances	10 a	765,040.		
	b	Less: cost of goods sold	10 b	765,040.		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10 c		STATEMENT. 1	
	11	Other revenue (from Part VII, line 103)	11			
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		2,417,482.	
	EXPENSES	13	Program services (from line 44, column (B))	13		1,896,365.
		14	Management and general (from line 44, column (C))	14		255,901.
15		Fundraising (from line 44, column (D))	15		176,960.	
16		Payments to affiliates (attach schedule)	16		8,692.	
17		Total expenses. Add lines 16 and 44, column (A)	17		2,337,918.	
NET ASSETS	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		79,564.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		333,166.	
	20	Other changes in net assets or fund balances (attach explanation)	20		989.	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		413,719.	

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 sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here. <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here. <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule) ST. 4	23	637,517.	637,517.		
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch)	25a	216,540.	173,610.	42,930.	0.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	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) (attach schedule)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	493,086.	395,331.	97,755.	
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	122,785.	103,515.	19,270.	
29 Payroll taxes	29	53,851.	42,855.	10,996.	
30 Professional fundraising fees	30	176,960.			176,960.
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	23,973.	10,681.	13,292.	
34 Telephone	34	27,569.	22,360.	5,209.	
35 Postage and shipping	35	12,588.	12,120.	468.	
36 Occupancy	36	39,700.	27,190.	12,510.	
37 Equipment rental and maintenance	37	11,088.		11,088.	
38 Printing and publications	38	2,442.	787.	1,655.	
39 Travel	39	61,843.	61,843.		
40 Conferences, conventions, and meetings	40	7,171.	6,137.	1,034.	
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	3,452.		3,452.	
43 Other expenses not covered above (itemize):					
a SEE STATEMENT 5	43a	438,661.	402,419.	36,242.	
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,329,226.	1,896,365.	255,901.	176,960.

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 \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

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 6

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) organizations and 4947(a)(1) trusts; but optional for others.)

a SEE STATEMENT 7

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

1,896,365.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

e Other program services.....

(Grants and allocations \$) If this amount includes foreign grants, check here ... ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services)..... ▶

1,896,365.

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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
45	Cash — non-interest-bearing	37,835.	45	-9,948.
46	Savings and temporary cash investments	309,422.	46	419,872.
47 a	Accounts receivable		47 c	
b	Less: allowance for doubtful accounts			
48 a	Pledges receivable	10,425.		
b	Less: allowance for doubtful accounts		48 c	10,425.
49	Grants receivable	17,978.	49	15,387.
50 a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a	
b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b	
51 a	Other notes and loans receivable (attach schedule)		51 c	
b	Less: allowance for doubtful accounts			
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	5,588.	53	13,636.
54 a	Investments — publicly-traded securities		54 a	
b	Investments — other securities (attach sch.)		54 b	
55 a	Investments — land, buildings, & equipment: basis			
b	Less: accumulated depreciation (attach schedule)		55 c	
56	Investments — other (attach schedule)	SEE STMT. 8.	56	26,814.
57 a	Land, buildings, and equipment: basis	42,506.		
b	Less: accumulated depreciation (attach schedule)	STATEMENT. 9...	57 c	7,101.
58	Other assets, including program-related investments (describe		58	
59	Total assets (must equal line 74). Add lines 45 through 58	415,575.	59	483,287.
60	Accounts payable and accrued expenses	74,909.	60	62,068.
61	Grants payable		61	
62	Deferred revenue	7,500.	62	7,500.
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64 a	Tax-exempt bond liabilities (attach schedule)		64 a	
b	Mortgages and other notes payable (attach schedule)		64 b	
65	Other liabilities (describe		65	
66	Total liabilities. Add lines 60 through 65	82,409.	66	69,568.
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted	324,910.	67	403,294.
68	Temporarily restricted	8,256.	68	10,425.
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)	333,166.	73	413,719.
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	415,575.	74	483,287.

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a	Total revenue, gains, and other support per audited financial statements.....	a	1,886,431.
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments.....	b1	989.
	2 Donated services and use of facilities.....	b2	
	3 Recoveries of prior year grants.....	b3	
	4 Other (specify):	b4	
	Add lines b1 through b4	b	989.
c	Subtract line b from line a	c	1,885,442.
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):		
	SEE STM 10	d2	532,040.
	Add lines d1 and d2.....	d	532,040.
e	Total revenue (Part I, line 12). Add lines c and d.....	e	2,417,482.

a	Total expenses and losses per audited financial statements.....	a	1,805,878.
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):	b4	
	Add lines b1 through b4.....	b	
c	Subtract line b from line a.....	c	1,805,878.
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):		
	<u>SEE STMT 11</u>	d2	532,040.
	Add lines d1 and d2.....	d	532,040.
e	Total expenses (Part I, line 17). Add lines c and d.....	e	2,337,918.

[illegible]

Part III 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.)	82 b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83 b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85 a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	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	85 c	N/A
d	Section 162(e) lobbying and political expenditures	85 d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
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?	85 h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a	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.)	87 b	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	88 a	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	88 b	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	89 b	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?	89 e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89 f	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?	89 g	X
90 a	List the states with which a copy of this return is filed ▶ TN		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90 b	22
91 a	The books are in care of ▶ NORMAN TENENBAUM Telephone number ▶ (615) 321-5699		
	Located at ▶ 111 N. WILSON BOULEVARD, NASHVILLE TN ZIP + 4 ▶ 37205		
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 ▶	91 b	X
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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Form 990 (2006)

Part VII Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?.....

91 c

Yes

No

X

If 'Yes,' enter the name of the foreign country:

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here N/A

and enter the amount of tax-exempt interest received or accrued during the tax year: 92

N/A

Part VIII 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) Exclusion code	(D) Amount	
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments.....					
g Fees & contracts from government agencies...					
94 Membership dues and assessments...					1,295.
95 Interest on savings & temporary cash invmnts.			14	8,911.	
96 Dividends & interest from securities...					
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 pers prop....					
99 Other investment income.....					
100 Gain or (loss) from sales of assets other than inventory.....					
101 Net income or (loss) from special events.....					
102 Gross profit or (loss) from sales of inventory....			5	0	
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)).....				8,911.	1,295.
105 Total (add line 104, columns (B), (D), and (E)).....					10,206.

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).
94	DUES RECEIVED FROM APPROXIMATELY 125 MEMBERS. MEMBERS RECEIVE NEWSLETTERS, VOTE ON BOARD OF DIRECTORS AND ARE ELIGIBLE TO ATTEND ARC CONFERENCES.

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

X

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?.....

Yes

No

X

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

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

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.

Yes	No
	X

	(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.

Yes	No
	X

	(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?

Yes	No
	X

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: Norman Tenenbaum Date: 1/16/08

Type or print name and title: NORMAN TENENBAUM - Executive Director

Paid Preparer's Use Only

Preparer's signature: R. Barry Dean CPA Date: 1/11/08

Firm's name (or yours if self-employed), address, and ZIP + 4: FRASIER, DEAN & HOWARD, PLLC
3310 WEST END AVENUE, STE. 550
NASHVILLE, TN 37203

Check if self-employed: ☒ N/A

Preparer's SSN or PTIN (See General instruction W): N/A

EIN: N/A

Phone no.: (615) 383-6592

BAA

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.)

OMB No. 1545-0047

2006▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization

ARC OF DAVIDSON COUNTY

Employer identification number

62-0588710

Part II Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and 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 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 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 instructions.)

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities.... ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line 1 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?	2c		X
SEE FORM 990, PART V				
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
3a	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
4a	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?	4b		N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		N/A
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 tax 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 held in all funds or accounts included on line 4f at the end of the tax year.	0.		

Part II Reason for Non-Private Foundation Status (See 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.)
- 11 a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11 b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and 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 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					0.

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

BAA

Schedule A (Form 990 or 990-EZ) 2006

Private School Questionnaire (See instructions.)

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

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32 a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32 b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32 c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32 d		
	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?	33 a		
b	Admissions policies?	33 b		
c	Employment of faculty or administrative staff?	33 c		
d	Scholarships or other financial assistance?	33 d		
e	Educational policies?	33 e		
f	Use of facilities?	33 f		
g	Athletic programs?	33 g		
h	Other extracurricular activities?	33 h		
	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?	34 a		
b	Has the organization's right to such aid ever been revoked or suspended?	34 b		
	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 VII Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

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
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 —		
	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.)

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

Part VIII Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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:

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

Yes	No	Amount

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

STATEMENT 1
FORM 990, PART I, LINE 10
GROSS PROFIT (LOSS) FROM SALES OF INVENTORY

SALE OF DONATED ITEMS.....	\$	765,040.
GROSS SALES.....	\$	765,040.
LESS RETURNS & ALLOWANCES.....		0.
NET SALES.....	\$	765,040.
LESS COST OF GOODS SOLD.....		765,040.
GROSS PROFIT FROM SALES OF INVENTORY.....	\$	0.

STATEMENT 2
FORM 990, PART I, LINE 16
PAYMENTS TO AFFILIATES

NAME AND ADDRESS	PURPOSE OF PAYMENT	AMOUNT
THE ARC OF THE UNITED STATES 1010 WAYNE AVENUE, STE 650 SILVER SPRING, MD 20910	AFFILIATION FEE	\$ 6,692.
THE ARC OF TENNESSEE 44 VANTAGE WAY, STE 550 NASHVILLE, TN 37228	AFFILIATION FEE	2,000.
TOTAL		\$ 8,692.

STATEMENT 3
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

UNREALIZED GAIN ON INVESTMENTS.....	\$	989.
TOTAL	\$	989.

STATEMENT 4
FORM 990, PART II, LINE 23
SPECIFIC ASSISTANCE TO INDIVIDUALS

FAMILY SUPPORT SERVICES.....	\$	637,517.
TOTAL	\$	637,517.

ARC OF DAVIDSON COUNTY

62-0588710

STATEMENT 5
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUNDRAISING</u>
CLIENT BENEFITS	40,000.	40,000.		
COLLECTION/TRUCK EXPENSE	355,080.	355,080.		
INSURANCE	18,000.		18,000.	
LICENSE & FEES	1,736.	36.	1,700.	
MISCELLANEOUS	70.		70.	
PROFESSIONAL SERVICES	23,159.	6,887.	16,272.	
SUBSCRIPTIONS	616.	416.	200.	
TOTAL	\$ 438,661.	\$ 402,419.	\$ 36,242.	\$ 0.

STATEMENT 6
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

FAMILY-BASED ORGANIZATION DEDICATED TO INCREASING THE DESIRE AND CAPACITY OF OUR COMMUNITY TO INCLUDE PEOPLE WITH MENTAL RETARDATION AND RELATED DISABILITIES AND TO SUPPORT THEM IN HAVING SELF-DETERMINED, MEANINGFUL AND PURPOSEFUL LIVES.

STATEMENT 7
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

<u>DESCRIPTION</u>	<u>GRANTS AND ALLOCATIONS</u>	<u>PROGRAM SERVICE EXPENSES</u>
SUPPORT COORDINATION - PROGRAM PROVIDED THROUGH ARC FOR INDIVIDUALS WHO HAVE RECEIVED A MEDICAID WAIVER. ARC PROVIDES INDEPENDENT SUPPORT COORDINATORS (ISC) WHO WORK WITH APPROXIMATELY 25 FAMILIES PER MONTH. EACH YEAR AN INDIVIDUAL SUPPORT PLAN IS IMPLEMENTED THAT INCLUDES GOALS AND ACCOMPLISHMENTS THAT SHOULD BE MET BY THE DISABLED INDIVIDUAL WITHIN THE COMING YEAR. ON A MONTHLY BASIS, THE ISC MONITORS THE LIVING CONDITIONS, PHYSICAL NEEDS, MEDICAL SITUATION AND OTHER FACTORS OF THE PERSON WITH DISABILITIES. INCLUDES FOREIGN GRANTS: NO		887,538.
FAMILY SUPPORT - FAMILIES RECEIVE REIMBURSEMENT (UP TO \$4,000/YEAR) FOR VARIOUS OUT-OF-POCKET EXPENDITURES, INCLUDING VEHICULAR MODIFICATION, PERSONAL ASSISTANCE, EQUIPMENT, NUTRITION OR OTHER TYPES OF SERVICES THAT WOULD ALLOW FAMILIES TO KEEP THEIR MENTALLY RETARDED FAMILY MEMBERS AT HOME. INCLUDES FOREIGN GRANTS: NO		931,807.
ADVOCACY - PROGRAM DESIGNED TO WORK WITH SCHOOL SYSTEMS TO IMPROVE THE PUBLIC POLICIES ASSOCIATED WITH INDIVIDUALS WITH MENTAL RETARDATION OR DISABILITIES. INCLUDES FOREIGN GRANTS: NO		11,216.

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STATEMENT 7 (CONTINUED)
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
<p>RESPIRE - FAMILIES OF ELIGIBLE INDIVIDUALS RECEIVE SHORT-TERM SITTER SERVICES (REIMBURSEMENT UP TO \$500). INCLUDES FOREIGN GRANTS: NO</p>		53,820.
<p>DEVELOPMENT & MEMBERSHIP - MAINTAIN GRASSROOTS MEMBERSHIP BY DISTRIBUTING NEWSLETTERS, ORGANIZING CONFERENCES AND MAKING THE ORGANIZATION MORE VISIBLE TO THE COMMUNITY. INCLUDES FOREIGN GRANTS: NO</p>		9,847.
<p>HOME OF YOUR OWN - CREATED TO ADDRESS THE ENORMOUS BARRIERS THAT PEOPLE WITH DISABILITIES FACE IN OBTAINING SAFE AND AFFORDABLE HOUSING. HOME OF YOUR OWN BUILDS HOUSES USING DONATIONS AND VOLUNTEER LABOR AND MAKES THEM AVAILABLE FOR PURCHASE AT A 0% INTEREST RATE TO PEOPLE WITH DISABILITIES. THE PROCESS ALLOWS US TO CONSTRUCT HOMES THAT MEET THE SPECIFIC NEEDS OF THE INDIVIDUALS WE SERVE, AND TO KEEP COSTS AFFORDABLE. INCLUDES FOREIGN GRANTS: NO</p>		2,137.
	\$ 0.	\$ 1,896,365.

STATEMENT 8
FORM 990, PART IV, LINE 56
INVESTMENTS - OTHER

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
EQUICO - ALLIANCE FUND	MARKET VALUE	\$ 26,814.
	TOTAL	\$ 26,814.

STATEMENT 9
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 42,506.	\$ 35,405.	\$ 7,101.
TOTAL	\$ 42,506.	\$ 35,405.	\$ 7,101.

ARC OF DAVIDSON COUNTY

62-0588710

STATEMENT 10
FORM 990, PART IV-A, LINE D(2)
OTHER AMOUNTS

DONATED ITEMS RECEIVED..... \$ 532,040.
TOTAL \$ 532,040.

STATEMENT 11
FORM 990, PART IV-B, LINE D(2)
OTHER AMOUNTS

COLLECTION COSTS FOR DONATED ITEMS REC'D..... \$ 532,040.
TOTAL \$ 532,040.

STATEMENT 12
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
NORMAN TENENBAUM NASHVILLE, TN	EXECUTIVE DIREC 38	\$ 72,972.	\$ 10,733.	\$ 0.
MARY HILDEBRAND NASHVILLE, TN	DIR. FAMILY SUP 38	40,730.	0.	0.
DEBRA FRAZIER NASHVILLE, TN	DIR. OF FINANCE 38	52,721.	3,831.	0.
WENDY TUCKER NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
ERIN RICHARDSON NASHVILLE, TN	VICE PRESIDENT 1	0.	0.	0.
GLENN FUNK NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
MARGARET MASIMORE BRENTWOOD, TN	PRESIDENT 1	0.	0.	0.
KRISTI LANE OAK GROVE, KY	DIR. SUP COORD 38	50,117.	3,417.	0.

STATEMENT 12 (CONTINUED)

FORM 990, PART V-A

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JENNIE SCOTT NASHVILLE, TN	BOARD MEMBER 1	\$ 0.	\$ 0.	\$ 0.
PAT WRIGHT BRENTWOOD, TN	TREASURER 1	0.	0.	0.
ELIZABETH RALPH NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
KATE DEKORNFELD BRENTWOOD, TN	BOARD MEMBER 1	0.	0.	0.
DOTTIE REED NASHVILLE, TN	BOARD MEMBER 1	0.	0.	0.
ANGIE RICE NASHVILLE, TN	SECRETARY 1	0.	0.	0.
	TOTAL	\$ 216,540.	\$ 17,981.	\$ 0.

STATEMENT 13
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2005	(B) 2004	(C) 2003	(D) 2002	(E) TOTAL
CART REVENUE	\$ 0.	\$ 233,000.	\$ 0.	\$ 0.	\$ 233,000.
TOTAL	\$ 0.	\$ 233,000.	\$ 0.	\$ 0.	\$ 233,000.

990, PART II, LINE 42
DEPRECIATION EXPENSE

PROPERTY AND EQUIPMENT ARE CARRIED AT COST. DONATED EQUIPMENT IS RECORDED AT MARKET VALUE AT THE DATE OF DONATION. DEPRECIATION IS COMPUTED USING THE STRAIGHT-LINE METHOD OVER THE ESTIMATED USEFUL LIVES OF THE ASSETS, RANGING FROM FIVE TO TEN YEARS.