

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
B This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input checked="" type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>
D Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input checked="" type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

Part II	Basic Plan Information —enter all requested information						
1a Name of plan ASSOCIATED RECREATION COUNCIL 401 (K) PROFIT SHARING PLAN & TRUST	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>001</td> </tr> <tr> <td>1c Effective date of plan</td> <td>01/01/2006</td> </tr> </table>	1b Three-digit plan number (PN) ►	001	1c Effective date of plan	01/01/2006		
1b Three-digit plan number (PN) ►	001						
1c Effective date of plan	01/01/2006						
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) ASSOCIATED RECREATION COUNCIL 100 DEXTER AVE N SEATTLE, WA 98109 860 TERRY AVE N SEATTLE, WA 98109	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td>51-0170717</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>206-615-1909</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>711210</td> </tr> </table>	2b Employer Identification Number (EIN)	51-0170717	2c Sponsor's telephone number	206-615-1909	2d Business code (see instructions)	711210
2b Employer Identification Number (EIN)	51-0170717						
2c Sponsor's telephone number	206-615-1909						
2d Business code (see instructions)	711210						

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	SHARON MAUZE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ASSOCIATED RECREATION COUNCIL 100 DEXTER AVE N SEATTLE, WA 98109	3b Administrator's EIN 51-0170717 3c Administrator's telephone number 206-615-1909
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	349
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	451
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	451
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	451
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	26
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2G 2J 2K 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)
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SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>ASSOCIATED RECREATION COUNCIL 401 (K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ASSOCIATED RECREATION COUNCIL</u>	D Employer Identification Number (EIN) <u>51-0170717</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	51584	98088
(2) U.S. Government securities.....	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	182051	315194
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	233635	413282

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	2821	
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2821	

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	230814	413282
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	27462	
(B) Participants	2a(1)(B)	108431	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		135893

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	0	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	8286	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8286

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		39692
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		183871

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1244	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1244
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	159	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		159
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1403

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		182468
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified **(2)** ☐ Qualified **(3)** ☐ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PETERSON SULLIVAN, LLP

(2) EIN: 91-0605875

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>ASSOCIATED RECREATION COUNCIL 401 (K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ASSOCIATED RECREATION COUNCIL</u>	D Employer Identification Number (EIN) <u>51-0170717</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>16-1470238</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____			
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11 a Does the ESOP hold any preferred stock?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**ASSOCIATED RECREATION COUNCIL
401(k) PROFIT SHARING PLAN & TRUST**

FINANCIAL REPORT

DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrative Committee of the
Associated Recreation Council 401(k) Profit Sharing Plan & Trust
Seattle, Washington

We have audited the accompanying statements of net assets available for benefits of the Associated Recreation Council 401(k) Profit Sharing Plan & Trust ("the Plan") as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule H, line 4i – Schedule of Assets Held at End of Year (as of December 31, 2009) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplementary information is the responsibility of the Plan's management. The supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Peterson Sullivan LLP

October 7, 2010

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

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**ASSOCIATED RECREATION COUNCIL 401(k)
PROFIT SHARING PLAN & TRUST**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Additions to Net Assets		
Investment income		
Net appreciation (depreciation)		
in fair value of investments	\$ 39,692	\$ (78,337)
Interest and dividends	8,286	282
	<u>47,978</u>	<u>(78,055)</u>
Contributions		
Participants'	108,431	94,360
Employer's	27,462	26,525
	<u>135,893</u>	<u>120,885</u>
Total additions	183,871	42,830
Deductions from Net Assets		
Benefits paid to participants	1,244	14,076
Administrative expenses	159	169
	<u>182,468</u>	<u>28,585</u>
Net Assets Available for Benefits		
Beginning of year	<u>230,814</u>	<u>202,229</u>
End of year	<u>\$ 413,282</u>	<u>\$ 230,814</u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Plan

The following description of the Associated Recreation Council 401(k) Profit Sharing Plan & Trust ("the Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established effective January 1, 2006, to provide retirement benefits to eligible employees of Associated Recreation Council ("ARC"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Participant Contributions

Participants may elect to defer up to 95% of their eligible annual compensation, subject to the applicable limits of the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified plans ("rollovers from other qualified plans"). Participants direct the investment of their contributions into various investment options offered by the Plan.

Employer Contributions

ARC may make a profit-sharing contribution to the Plan each year in an amount determined by ARC at its discretion. Any profit-sharing contribution is allocated based upon annual compensation, as defined by the Plan. No profit-sharing contributions were made in 2009 or 2008. ARC may also make matching contributions to the Plan at its discretion equal to 50% of the participant's contribution up to 6% of his or her compensation for each eligible participant (the match cannot exceed 3% of the participant's compensation). Employer contributions made in 2009 and 2008 were all matching contributions. Participants direct the investment of their allocation of employer contributions into various investment options offered by the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) ARC's contribution and (b) Plan earnings and losses, and charged with an allocation of administrative expenses. Allocations are based on participant compensation, participant contributions, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are 100% vested in their contributions to the Plan and related earnings at all times. Employer profit-sharing and matching contributions and related net earnings are vested as follows:

<u>Completed Years of Service</u>	<u>Percentage Vested</u>
1	0%
2	25
3	50
4	75
5	100

Additionally, a participant becomes 100% vested when the participant attains normal retirement age, dies, satisfies the early retirement age requirements, or becomes disabled while in the service of ARC. Normal retirement age is 59 1/2.

Forfeitures

The portion of a terminated participant account that is not vested ("forfeitures") is used to reduce employer contributions. There were no forfeitures in 2009. Forfeitures were \$1,575 in 2008, and the full amount was used to reduce employer contributions in 2008. There were no forfeited nonvested amounts included with net assets available for benefits at either December 31, 2009 or 2008.

Payment of Benefits

On termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a period of time no greater than the participant's assumed life expectancy. If the vested benefit in the Plan does not exceed \$5,000, then a single lump-sum distribution is required.

Administrative Expenses

Administrative expenses relate to Plan administration and custodianship of investments. In addition, ARC pays for certain Plan expenses.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Plan Changes

ARC reserves the right to amend or terminate the Plan at any time. However, no such amendment or termination shall deprive any participant of any vested interest in the Plan. In the event of Plan termination, participants will become fully vested in their accounts.

At the end of 2008, ARC converted all its instructors, officials, and umpires to independent contractors. This decreased the number of eligible participants in the Plan significantly. However, this did not affect the number of participants with balances.

Note 2. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Plan's management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contributions

Contributions from participants are recorded in the period in which they are withheld from the participant's compensation. Matching contributions from ARC are recorded in the period in which the related participant contributions are recorded.

Fair Value Measurements/Investment Valuation and Income Recognition

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for investments at fair value, including a general description of the Plan's investments.

Mutual Funds:

These investments are public investment vehicles using the Net Asset Value ("NAV") provided by the administrators of the funds. The NAV is based on the value of the underlying assets, less any liabilities, then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the fair value hierarchy.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

The following table represents information about the Plan's assets that have been measured at fair value on a recurring basis as of December 31, 2009 and 2008, and classified within Level 1 of the fair value hierarchy described above:

	Value at December 31, 2009	Value at December 31, 2008
Money Market Account	\$ 98,088	\$ 51,584
Mutual Funds		
Bond funds	110,415	81,596
Blend funds	64,321	60,923
Government funds	44,939	15,976
Growth funds	43,769	15,565
Diversified emerging markets	29,060	
Value funds	22,690	7,991
	<hr/>	<hr/>
Total mutual funds	315,194	182,051
	<hr/>	<hr/>
	\$ 413,282	\$ 233,635
	<hr/>	<hr/>

Payment of Benefits

Benefit payments to participants are recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through October 7, 2010, which was the date the financial statements were available to be issued.

Note 3. Tax Status

The Plan has adopted a non-standardized prototype sponsored by their third-party administrator. The prototype received a favorable determination letter from the Internal Revenue Service on November 26, 2001. ARC has not received a determination letter as to the qualified status of the Plan's adoption agreement. However, the Plan administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Service.

The Plan's federal tax returns are open to examination for the years ended December 31, 2006 to 2009.

Note 4. Investments

Investments are as follows at December 31:

	2009	2008
Investments in Mutual Funds:		
DWS Investments US Bond Index Fund	\$ 47,060 *	
Vanguard Inflation-Protected Securities Fund	41,927 *	37,073 *
Charles Schwab Institutional Select S&P 500	34,432 *	31,665 *
Vanguard Intermediate Term Treasury	29,923 *	
American New World Fund	29,060 *	
Prudential High Yield Bond Fund	21,428 *	
American Century Heritage Fund	18,451	7,984
Columbia Management Marsico 21st Century Fund	15,322	7,096
Vanguard Short-Term Federal Funds	15,016	110
Dreyfus Strategic Value I	12,318	2,447
Royce Special Equity Fund	11,308	
Columbia Management Mid Cap Value Fund	10,372	5,544
Columbia Management Acorn International Fund	8,820	485
Manning & Napier World Opportunities A	7,884	2,096
MainStay Small Cap Growth Fund	5,545	
Janus Contrarian Fund	5,151	4,937
Hartford Small Company R5	1,177	
Delaware Investments Corporate Bond Fund		34,371 *
American Century Target Maturities Trust: 2025 Fund		15,866 *
Quant Emerging Markets Fund		12,388 *
Pioneer Investments Global High Yield Fund		10,152
Keeley Small Cap Value Fund		6,209
State Street Global Advisors International Stock Selection Fund		3,628
Total Mutual Funds	315,194	182,051
Investment in Money Market Account:		
Federated Investors Automated Cash Management Fund	98,088 *	51,584 *
	\$ 413,282	\$ 233,635

*Investment represents 5% or more of the Plan's net assets available for benefits.

S U P P L E M E N T A R Y S C H E D U L E

**ASSOCIATED RECREATION COUNCIL 401(k)
PROFIT SHARING PLAN & TRUST**

SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2009

EIN: 51-0170717

Plan Number: 001

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current Value
	Federated Investors, Inc.	Automated Cash Management Fund	**	\$ 98,088
	DWS Investments	US Bond Index Institutional Fund	**	47,060
	The Vanguard Group	Inflation-Protected Securities Fund	**	41,927
	Charles Schwab	Institutional Select S&P 500 Fund	**	34,432
	The Vanguard Group	Intermediate Term Treasury	**	29,923
	American Funds	New World Fund	**	29,060
	Prudential Investments	High Yield Bond Fund	**	21,428
	American Century Investments	Heritage Investments	**	18,451
	Columbia Management	Marsico 21st Century Fund	**	15,322
	The Vanguard Group	Short-Term Federal Funds	**	15,016
	Dreyfus Corporation	Strategic Value I	**	12,318
	The Royce Funds	Special Equity Fund	**	11,308
	Columbia Management	Mid Cap Value Fund	**	10,372
	Columbia Management	Acorn International Fund	**	8,820
	Manning & Napier	World Opportunities A	**	7,884
	MainStay Funds	Small Cap Growth Fund	**	5,545
	Janus Funds	Contrarian Fund	**	5,151
	Hartford Mutual Funds	Small Company R5	**	1,177

** Information is not required as investments are participant-directed.

**ASSOCIATED RECREATION COUNCIL 401(k)
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	DWS Investments	US Bond Index Institutional Fund	**	47,060
	The Vanguard Group	Inflation-Protected Securities Fund	**	41,927
	Charles Schwab	Institutional Select S&P 500 Fund	**	34,432
	The Vanguard Group	Intermediate Term Treasury	**	29,923
	American Funds	New World Fund	**	29,060
	Prudential Investments	High Yield Bond Fund	**	21,428
	American Century Investments	Heritage Investments	**	18,451
	Columbia Management	Marsico 21st Century Fund	**	15,322
	The Vanguard Group	Short-Term Federal Funds	**	15,016
	Dreyfus Corporation	Strategic Value I	**	12,318
	The Royce Funds	Special Equity Fund	**	11,308
	Columbia Management	Mid Cap Value Fund	**	10,372
	Columbia Management	Acorn International Fund	**	8,820
	Manning & Napier	World Opportunities A	**	7,884
	MainStay Funds	Small Cap Growth Fund	**	5,545
	Janus Funds	Contrarian Fund	**	5,151
	Hartford Mutual Funds	Small Company R5	**	1,177

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