

Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

2008

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

Department of the Treasury Internal Revenue Service

For calendar year 2008 or other tax year beginning JUNE 1, 2008, and ending MAY 31, 20 09 See separate instructions.

- A Check box if address changed
B Exempt under section 501(c)(7)
408(e) 220(e)
408A 530(a)
529(a)

Print or Type

Name of organization (Check box if name changed and see instructions.)
PENN NATIONAL HOMEOWNER'S ASSOCIATION
Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
PO BOX 358
City or town, state, and ZIP code
MONT ALTO, PA 17237

D Employer identification number
25 1524288
E Unrelated business activity codes
511190

C Book value of all assets at end of year

F Group exemption number (See instructions for Block F on page 9.)
G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. SALE OF ADVERTISING IN NEWSLETTER & INTEREST

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of JAMES LARIMER Telephone number (717) 352-7230

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include 1a Gross receipts or sales (9,977), 2 Cost of goods sold, 3 Gross profit (9,977), 9 Investment income (30), 13 Total (10,007).

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Description, (A) Income, (B) Expenses, (C) Net. Rows include 14 Compensation of officers, 21 Depreciation, 28 Other deductions (4,783), 29 Total deductions (4,783), 30 Unrelated business taxable income before net operating loss deduction (5,224), 33 Specific deduction (1,000), 34 Unrelated business taxable income (4,224).

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ 4,224 (2) \$ (3) \$ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 35c 634 36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) 36 37 Proxy tax. See page 16 of the instructions 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 634

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a 40b Other credits (see page 17 of the instructions) 40b 40c General business credit. Attach Form 3800 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 634 42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 634 44a Payments: A 2007 overpayment credited to 2008 44a 44b 2008 estimated tax payments 44b 634 44c Tax deposited with Form 8868 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 44f Other credits and payments: Form 2439 Form 4136 Other Total 44f 45 Total payments. Add lines 44a through 44f 45 634 46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax Refunded 49

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here Yes No 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. Yes No 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$ -0-

Schedule A—Cost of Goods Sold. Enter method of inventory valuation

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

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

Sign Here

Signature of officer JOHN BYAM Date 1/7/14/09 Title PRESIDENT

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

Paid Preparer's Use Only Preparer's signature Date Check if self-employed Preparer's SSN or PTIN Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.

PREPARED BY: JAMES LARIMER, FINANCIAL DIRECTOR

**Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)**  
(see instructions on page 19)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	Total	
<b>(c) Total income.</b> Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . ▶		<b>(b) Total deductions.</b> Enter here and on page 1, Part I, line 6, column (B) ▶

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

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 × column 6)	8 Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> . . . . . ▶			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
<b>Total dividends-received deductions</b> included in column 8 . . . . . ▶				

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

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
<b>Totals</b> . . . . . ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).	

**Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions on page 21)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Includes row (1) CHKG ACCT INTEREST with amount 30 and a Totals row.

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

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income, 5 Gross income, 6 Expenses attributable, 7 Excess exempt expenses. Includes a Totals row.

**Schedule J—Advertising Income** (see instructions on page 21)

**Part I Income From Periodicals Reported on a Consolidated Basis**

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

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

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

**Schedule K—Compensation of Officers, Directors, and Trustees** (see instructions on page 22)

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

**PENN NATIONAL HOMEOWNER'S ASSOCIATION**

**EIN 25-1524288**

**Form 990-T**

**Supporting Schedule for 2008 Form 990-T Line 9 and for Schedule G - Investment Income.**

The Association reports on a June 1st through May 31st Fiscal Year Accounting Basis. Therefore, Investment Income was calculated as follows:

Interest Income reported to the IRS on Form 1099-INT for Jan - Dec 2008	38.96
Less: Amount included in previous FY	(17.43)
Add: 2009 amounts included in current FY	8.70
Investment Income included on Form 990-T, Line 6	30.23

**PENN NATIONAL HOMEOWNER'S ASSOCIATION**

EIN 25-1524288

Form 990-T

**Supporting Schedule for 2008 Form 990-T, Line 28 - Direct Cost Unrelated Business Income**

Total Newsletter Costs (Printing & Distribution)	9,499
% Allocated to Advertising based on lineage (see calculation below)	50.35%
Direct Cost of Advertising	4,783

	Total Pages in Newsletter	Total Advertising Pages
Jun-2008	12	6
Jul-2008	10	6
Aug-2008	12	7
Sep-2008	13	6
Oct-2008	12	6
Nov-2008	12	6
Dec-2008	12	6
Jan-2009	12	6
Feb-2009	12	6
Mar-2009	12	6
Apr-2009	12	6
May-2009	12	5
Total	143	72
Percent Adv in Newsltr		50.35%