

PARK OHIO HOLDINGS CORP
Form 11-K
June 26, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K

- x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

or

- o TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 0-3134

- A. Full title of the plan and the address of the plan, if different from that of the issuer
named below:

INDIVIDUAL ACCOUNT RETIREMENT PLAN OF PARK-OHIO INDUSTRIES,
INC. AND ITS SUBSIDIARIES

- B. Name of issuer of the securities held pursuant to the plan and the address of its
principal executive office:

PARK-OHIO HOLDINGS CORP.
6065 Parkland Boulevoid
CLEVELAND, OHIO 44124

INDEX

	PAGE (S)
Report of Independent Registered Public Accounting Firm	F-1
 FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits.	F-2
Statement of Changes in Net Assets Available for Benefits.	F-3
Notes to Financial Statements.	F-4 F-12
 SUPPLEMENTAL SCHEDULE	
Schedule H, Line 4i Schedule of Assets (Held at End of Year).	F-13

EXHIBITS

Exhibit Number	Description
23.1	Consent of Independent Auditors
*	Other supplemental schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Individual Account
Retirement Plan of
Park-Ohio Industries, Inc.
and Its Subsidiaries

Date: June 26, 2009

By /s/ Jeffrey L. Rutherford
Jeffrey L. Rutherford
Vice President and Chief Financial
Officer

Page 3

Ernst & Young LLP
Suite 1300
925 Euclid Avenue
Cleveland, Ohio 44115
Tel: 216 861 5000
www.ey.com

Report of Independent Registered Public Accounting Firm

The Plan Administrative Committee
Individual Account Retirement Plan
of Park-Ohio Industries, Inc. and
its Subsidiaries

We have audited the accompanying statements of net assets available for benefits of the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. 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 the standards of the Public Company Accounting Oversight Board (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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the 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 supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Cleveland, Ohio
June 26, 2009

/s/ Ernst & Young LLP

F-1

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Statements of Net Assets Available for Benefits

	December 31	
	2008	2007
Assets		
Investments, at fair value	\$ 62,380,907	\$ 81,779,184
Cash		576
Receivables:		
Employer contribution	158,892	163,721
Employee contribution	345,790	329,909
Interest receivable	6,852	7,090
Total receivables	511,534	500,720
Net assets available for benefits	\$ 62,892,441	\$ 82,280,480

See accompanying notes.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2008

Additions

Investment income:	
Dividends and interest	\$ 1,978,175
Transfers from other plans	894,455
Contributions:	
Participants	4,919,949
Employer	2,082,048
Rollovers	220,090
	7,222,087
Total additions	10,094,717

Deductions

Net depreciation in fair value of investments	22,367,694
Distributions to participants	6,907,889
Corrective distributions	105,668
Trustee fees and expenses	101,505
Total deductions	29,482,756
Net (decrease)	(19,388,039)
Net assets available for benefits:	
Beginning of year	82,280,480
End of year	\$ 62,892,441

See accompanying notes.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements
December 31, 2008 and 2007 and
Year Ended December 31, 2008

1. Significant Accounting Policies

Basis of Accounting

The accounting records of the Individual Account Retirement Plan of Park-Ohio Industries, Inc. and its Subsidiaries (the Plan) are maintained on the accrual basis.

Investment Value and Income Recognition

All investments are under the control and management of The Charles Schwab Trust Company, Plan Trustee. Purchases of investments are recorded at cost and revalued to market value at the close of each day by the Plan Trustee. All investments of the Plan are participant directed.

Investment income and realized and unrealized gains and losses are reported as net income derived from investment activities and are allocated among the individual accounts in proportion to their respective balances immediately preceding the valuation date.

Realized gains and losses are calculated based upon historical cost of securities using the average cost method.

The investments in common stock are stated at fair value, which equals the quoted market price on the last business day of the plan year. The fair value of the participation units held by the Plan in the mutual funds and common/collective fixed income investments funds are based on quoted redemption values on the last business day of the plan year. The participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a settlement-date basis. Interest income is recorded on the accrual basis.

Dividends are recorded on the ex-dividend date.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

2. Description of Plan

The Plan, adopted by Park-Ohio Industries, Inc. (Company) originally effective January 1, 1985 and last restated on December 19, 2006 is a defined contribution plan. The Plan generally provides that an employee who is in service of a division or group to which the Company has extended eligibility for membership in the Plan (other than a temporary employee or employees covered by a collective bargaining agreement that does not specify coverage under the Plan) will be eligible to participate after completion of the probationary period which generally occurs after 30 days of continuous employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Individual accounts are maintained for all participants. All amounts are credited or charged to an account in terms of full and fractional investment units at the investment unit values determined as of the transaction date. Each participant designates how his share of the contributions is to be allocated among the investment funds of the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. The Plan provides for contributions to be made to the Plan pursuant to a qualified cash or deferred arrangement under Section 401(k) of the Internal Revenue Code. If a participant elects to have contributions made for the participant pursuant to such an arrangement, the participant's compensation is reduced by the amount of such contributions elected and the employer makes plan contributions equal to the amount of the reduction.

The Company may terminate the Plan at any time by resolution of its Board of Directors, subject to the provisions of ERISA. In the event of the termination of the Plan, the beneficial interests of all participants under the Plan shall become fully vested.

Information about the Plan is contained in the Plan document, which is available from the Company's Plan Administrative Committee.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

3. Contributions

Contributions by employees to the Plan are made via payroll deductions. Employees may contribute up to 80% of their compensation on a pretax basis. Excluding catch-up contributions for eligible participants, contributions by employees may not exceed \$15,500, the Internal Revenue Service maximum contribution for 2008. Employee contributions are fully vested and nonforfeitable at all times.

The Plan provides for discretionary uniform rates of employer contributions for eligible employees, which generally include nonbargaining unit employees of the Company, so that each participant is entitled to basic contributions equal to 2% of credited compensation paid by the employer. The basic contribution is allocated among the investment options based on individual participant's investment allocation designation. As described in Note 11, during March 2009, the Company suspended indefinitely its contributions to the Plan.

Corrective distributions to participants represent current year contributions and earnings on such deposits that must be returned to employees to ensure Plan compliance with additional limitations in the Internal Revenue Code (the Code) on contributions by highly compensated individuals.

Participants of the Plan can make changes to their account, via the telephone or the internet, through Schwab Retirement Plan Services, Inc. The current provision of the system permits a participant to change investment allocation percentages daily and change payroll deferral percentages on the first day of every month.

4. Participant Loans

A participant may borrow from employee 401(k) contributions and earnings a minimum of \$1,000 and a maximum of the lesser of 50% of the participant's eligible account or \$50,000. Loan repayments are made via payroll deductions on after-tax dollars, which commence thirty to sixty days after receipt and acceptance of the loan check. Terms of the participant loan are five years for a personal loan and fifteen years for a mortgage loan, with interest payable at prime plus 1%.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

5. Investments

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	December 31	
	2008	2007
Victory Value Fund	\$ 6,485,036	\$11,695,092
Schwab Value Advantage Fund	18,216,054	15,056,412
Growth Fund of America	5,448,466	10,426,852
Oakmark Equity Income	7,638,775	9,734,065
Templeton World Fund	2,948,578	5,283,752
JP Morgan Core Bond Fund	6,678,129	5,580,887
Calamos Growth Fund	1,696,286	4,130,725

During 2008, the Plan's investments (including investments purchased and sold, as well as held during the year) (depreciated) in fair value as determined by quoted market prices as follows:

	Net (Depreciation) in Fair Value of Investments
Park-Ohio Holdings Corp. Common stock fund	\$ (2,455,364)
Mutual funds	(18,945,000)
Common/collective trusts	(967,330)
Total	\$ (22,367,694)

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

6. Fair Value Measurements

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

6. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008 and 2007.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and common/collective trusts: Valued at the net asset value (NAV) of shares held by the plan at year end.

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008.

	Level 1	Level 2	Level 3	Total
Mutual funds	\$57,481,644	\$	\$	\$57,481,644
Common/collective trusts		2,648,843		2,648,843
Common stocks	1,063,984			1,063,984
Participant loans			1,186,436	1,186,436
Total assets at fair value	\$58,545,628	\$2,648,843	\$1,186,436	\$62,380,907

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

6. Fair Value Measurements (continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2008:

	Participant Loans
Balance, beginning of year	\$ 1,224,973
Purchases, sales, issuances and settlements (net)	(38,537)
Balance, end of year	\$ 1,186,436

7. Benefits

A participant is entitled to receive the full value of his or her account upon (1) normal retirement at age 65; (2) attainment of at least age 55 and 10 years of service; (3) death, or total and permanent disability as determined by the plan administrator upon the basis of competent medical opinion, or (4) termination of employment after seven years of credited service. Such benefits may be paid in a lump sum cash payment or through the purchase of a single premium annuity contract.

In the event of termination of employment, a participant has a vested right in the participant's share of the Company's contributions determined as follows:

Credited Vesting Service	Vested Percentage
Less than 3 years	0%
At least 3 years but less than 4 years	20%
At least 4 years but less than 5 years	40%
At least 5 years but less than 6 years	60%
At least 6 years but less than 7 years	80%
7 years or more	100%

F-10

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

7. Benefits (continued)

The portion of the Company's contributions that are not vested in such terminated participants will generally be forfeited and may be used to reduce the Company's future contributions to the Plan. The total of forfeited contributions by participants was \$120,750, and contributions required by the employer were reduced by this entire amount in 2008. A participant may withdraw in cash a portion of the participant's contributions subject to certain limitations and restrictions. The hardship withdrawal may be used to purchase a principal residence, avoid foreclosure on a mortgage, or pay bona fide medical or education expenditures.

8. Related-Party Transactions

Certain plan investments are mutual funds or common collective trust funds managed by the Plan Trustee. Therefore, these transactions qualify as party in interest. Fees paid by the Plan for the investment management and trustee services amounted to \$75,411 and \$71,635 for the years ended December 31, 2008 and 2007, respectively.

At December 31, 2008 and 2007, the Plan held 352,312 and 281,206 shares of Park-Ohio Holdings Corp. common stock with a fair value of \$1,063,984 and \$3,166,375, respectively.

9. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated May 11, 2009, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, is qualified and the related trust is tax exempt.

F-11

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
Notes to Financial Statements (continued)

10. 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.

11. Subsequent Events

During March 2009, the Company suspended indefinitely its contributions to the Plan.

F-12

Individual Account Retirement Plan of Park-Ohio
Industries, Inc. and its Subsidiaries
EIN #34-6520107 Plan #011
Schedule H, Line 4i Schedule of Assets
(Held at End of Year)
December 31, 2008

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Current Value
Common Stock		
Park-Ohio Holdings Corp.*	352,312 shares of Park-Ohio Stock Fund	\$ 1,063,984
Mutual Funds		
Schwab Value Advantage Fund*	18,216,054 shares	18,216,054
Allegiant Small Cap Value CLI	63,299 shares	602,574
Calamos Growth A	58,172 shares	1,696,286
Europacific Growth	44,209 shares	1,218,403
Growth Fund of America	269,726 shares	5,448,466
Jensen	40,481 shares	778,855
Lord Abbett Mid Cap Value A	120,484 shares	1,256,643
Oakmark Equity Income	354,303 shares	7,638,775
JP Morgan Core Bond Fund	625,293 shares	6,678,129
Schwab S&P 500 Investor Shares*	83,079 shares	1,153,965
Neuberger Berman Genesis Advantage Fund	150,505 shares	2,727,145
Templeton World Fund	274,798 shares	2,948,578
Victory Value Fund	763,844 shares	6,485,036
Washington Mutual R3	29,706 shares	632,735
Schwab Common/Collective Trusts		
Schwab Managed Retirement 2010*	18,707 shares	228,600
Schwab Managed Retirement 2020*	65,447 shares	798,448
Schwab Managed Retirement 2030*	68,636 shares	841,479
Schwab Managed Retirement 2040*	61,792 shares	747,067
Schwab Managed Retirement Inc.*	3,292 shares	33,249
Other		
Participant loans*	Interest rates ranging from 4.25% to 8.50% with maturities of varying dates	1,186,436
		\$ 62,380,907

* Indicates party
in interest to the
Plan.