

Return of Organization Exempt From Income Tax

2007

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning 4/01, 2007, and ending 3/31, 2008

B Check if applicable:

- Address change
Name change
Initial return
Termination
Amended return
Application pending

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

C Petoskey- Harbor Springs Area Community Foundation
616 Petoskey Street #300
Petoskey, MI 49770

D Employer Identification Number

38-3032185

E Telephone number

231-348-5820

F Accounting method: Cash Accrual

Other (specify)

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

H and I are not applicable to section 527 organizations.

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

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? Yes No

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

G Web site: www.petoskey-harborspringsfoundation.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.

I Group Exemption Number

M Check if the organization is not required to attach Schedule B

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 3,028,459

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

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, and Total. Includes sections for Contributions, Program Service Revenue, Investment Income, and Expenses.

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. (See instructions.)

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) See Stmt 3 (cash \$ 548,737. non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22a	548,737.	548,737.		
22b Other grants and allocations (att sch) See Stmt 4 (cash \$ 367,411. non-cash \$ _____) If this amount includes foreign grants, check here. <input type="checkbox"/>	22b	367,411.	367,411.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	76,812.	0.	76,812.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	78,000.	46,000.	32,000.	
27 Pension plan contributions not included on lines 25a, b, and c	27	12,734.	3,485.	9,249.	
28 Employee benefits not included on lines 25a - 27	28	19,891.	7,041.	12,850.	
29 Payroll taxes	29	12,468.	3,519.	8,949.	
30 Professional fundraising fees	30				
31 Accounting fees	31	8,342.		8,342.	
32 Legal fees	32	5,503.		5,503.	
33 Supplies	33	9,900.	3,512.	5,417.	971.
34 Telephone	34	3,524.		3,524.	
35 Postage and shipping	35	2,639.		2,239.	400.
36 Occupancy	36	15,167.		15,167.	
37 Equipment rental and maintenance	37				
38 Printing and publications	38	21,092.			21,092.
39 Travel	39	5,659.		5,659.	
40 Conferences, conventions, and meetings	40	11,448.		10,301.	1,147.
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	4,337.		4,337.	
43 Other expenses not covered above (itemize): a See Statement 5	43a	193,580.		191,858.	1,722.
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	1,397,244.	979,705.	392,207.	25,332.

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 (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ See Statement 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 Grants to various 501(c)(3) organizations and for charitable activities (see statements # 3, 4 and 6).

(Grants and allocations \$ 916,148.) If this amount includes foreign grants, check here. ▶

979,705.

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) ▶

979,705.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	100.	45	175.
	46 Savings and temporary cash investments	1,685,486.	46	1,151,195.
	47 a Accounts receivable	47 a		
	b Less: allowance for doubtful accounts	47 b	47 c	
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b	48 c	
	49 Grants receivable	120,000.	49	463,430.
	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 a		
	b Less: allowance for doubtful accounts	51 b	51 c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	3,862.	53	250.
	54 a Investments – publicly-traded securities. Stmt. 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	15,192,594.	54 a	15,634,411.
	b Investments – other securities (attach sch.) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54 b	
LIABILITIES	55 a Investments – land, buildings, & equipment: basis	55 a		
	b Less: accumulated depreciation (attach schedule)	55 b	55 c	
	56 Investments – other (attach schedule)		56	
	57 a Land, buildings, and equipment: basis	57 a 45,276.		
	b Less: accumulated depreciation (attach schedule) Statement 8	57 b 38,901.	57 c	6,375.
	58 Other assets, including program-related investments (describe <u>See Statement 9</u>)	1,057,196.	58	1,082,095.
	59 Total assets (must equal line 74). Add lines 45 through 58	18,065,535.	59	18,337,931.
	60 Accounts payable and accrued expenses		60	
	61 Grants payable	51,312.	61	53,050.
	62 Deferred revenue		62	
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 <u>See Statement 10</u>)	3,354,520.	65	3,426,562.	
66 Total liabilities. Add lines 60 through 65	3,405,832.	66	3,479,612.	
ORGANIZATIONS	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	13,602,507.	67	13,776,224.
	68 Temporarily restricted	1,057,196.	68	1,082,095.
	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).	14,659,703.	73	14,858,319.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	18,065,535.	74	18,337,931.

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

a	Total revenue, gains, and other support per audited financial statements		a	1,546,923.
b	Amounts included on line a but not on Part I, line 12:			
	1 Net unrealized gains on investments	b1	-1,003,749.	
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify): See Stmt 11	b4	-5,327.	
	Add lines b1 through b4			b -1,009,076.
c	Subtract line b from line a			c 2,555,999.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1	1,224.	
	2 Other (specify): See Stmt 12	d2	326,116.	
	Add lines d1 and d2			d 327,340.
e	Total revenue (Part I, line 12). Add lines c and d			e 2,883,339.

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

a	Total expenses and losses per audited financial statements		a	1,348,307.
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 1,348,307.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1	1,224.	
	2 Other (specify): See Stmt 13	d2	47,713.	
	Add lines d1 and d2			d 48,937.
e	Total expenses (Part I, line 17). Add lines c and d			e 1,397,244.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 14		76,812.	12,564.	0.

