MERCYHURST UNIVERSITY

FEDERAL FORM 990-T

May 31, 2011

IRS Public Inspection Rules

M. Public Inspection of Returns, etc.

Through the IRS

Use Form 4506-A to request:

- A copy of an exempt or political organization's return, report, notice, or exemption application;
- An inspection of a return, report, notice, or exemption application at an IRS office.

The IRS can provide copies of exempt organization returns on a compact disk (CD-ROM). Requesters can order the complete set (all Forms 990 and 990-EZ or all Forms 990-PF filed for a year) or a partial set by state or by month. For more information on the cost and how to order CD-ROMs, call the TEGE Customer Account Services toll-free number (1-877-829-5500) or write to the IRS in Cincinnati, OH at the address in *General Instruction A.*

The IRS may not disclose portions of an exemption application relating to any trade secrets, etc. See the instructions for Schedule B (Form 990, 990-EZ, or 990-PF) that discuss the disclosure of that schedule.

You can only request Forms 990 or 990-EZ for section 527 organizations for tax years beginning after June 30, 2000.

You may inspect a return, report, notice, or exemption application at an IRS office free of charge. You may also obtain a copy of these items through the organization as discussed in the following section.

Through the organization

Public inspection and distribution of returns and reports for a political organization. Section 527 political organizations required to file Form 990, or Form 990-EZ, must, in general, make their Form 8871, 8872, 990, or 990-EZ available for public inspection in the same manner as annual information returns of section 501(c) organizations and 4947(a)(1) nonexempt charitable trusts are made available. See the public inspection rules for "tax-exempt organizations" below. Generally, Form 8871 and Form 8872 are available for inspection and printing from the Internet. The website address for both of these forms is *http://eforms.irs.gov*.

Note that a section 527 political organization (and an organization filing Form 990-PF) must disclose their Schedule B (Form 990, 990-EZ, or 990-PF), Schedule of Contributors. See the instructions for Schedule B.

The penalties discussed in *General Instruction K* also apply to section 527 political organizations (Rev. Rul. 2000-49, 2000-44 I.R.B. 430).

Public inspection and distribution of applications for tax exemption and annual information returns of tax-exempt organizations. Under Regulations sections 301.6104(d)-1 through 301.6104(d)-3, a tax-exempt organization must:

- Make its application for recognition of exemption and its annual information returns available for public inspection without charge at its principal, regional and district offices during regular business hours.
- Make each annual information return available for a period of 3 years beginning on the date the return is required to be filed (determined with regard to any extension of time for filing) or is actually filed, whichever is later.
- Provide a copy without charge, other than a reasonable fee for reproduction and actual postage costs, of all or any part of any application or return required to be made available for public inspection to any individual who makes a request for such copy in person or in writing (except as provided in Regulations sections 301.6104(d)-2 and -3).

Definitions —

Tax-exempt organization is any organization that is described in section 501(c) or (d) and is exempt from taxation under section 501(a). The term tax-exempt organization also includes any section 4947(a)(1) nonexempt charitable trust or nonexempt private foundation that is subject to the reporting requirements of section 6033.

Application for tax exemption includes (except as described later):

- Any prescribed application form (such as Form 1023 or Form 1024),
- All documents and statements the IRS requires an applicant to file with the form,
- Any statement or other supporting document submitted in support of the application, and
- Any letter or other document issued by the IRS concerning the application.

"Application for tax exemption" does not include:

- Any application for tax exemption filed before July 15, 1987, unless the organization filing the application had a copy of the application on July 15, 1987;
- In the case of a tax-exempt organization other than a private foundation, the name and address of any contributor to the organization; or
- Any material that is not available for public inspection under section 6104.

Annual information return includes:

- An exact copy of the Form 990, or Form 990-EZ filed by a tax-exempt organization as required by section 6033.
- Any amended return the organization files with the IRS after the date the original return is filed.

The copy must include all information furnished to the IRS on Form 990, or Form 990-EZ, as well as all schedules, attachments and supporting documents, except for the name and address of any contributor to the organization. See the instructions for Schedule B (Form 990, 990-EZ, or 990-PF).

Annual returns more than 3 years old. An annual information return does not include any return after the expiration of 3 years from the date the return is required to be filed (including any extension of time that has been granted for filing such return) or is actually filed, whichever is later.

If an organization files an amended return, however, the amended return must be made available for a period of 3 years beginning on the date it is filed with the IRS.

Local or subordinate organizations. For rules relating to annual information returns of local or subordinate organizations, see Regulations section 301.6104(d)-1(f)(2).

Regional or district offices. A regional or district office is any office of a tax-exempt organization, other than its principal office, that has paid employees, whether part-time or full-time, whose aggregate number of paid hours a week are normally at least 120.

A site is not considered a regional or district office, however, if—

The only services provided at the site further exempt purposes (such as day care, health care or scientific or medical research); and

The site does not serve as an office for management staff, other than managers who are involved solely in managing the exempt function activities at the site.

Special rules relating to public inspection.

Permissible conditions on public inspection. A tax-exempt organization—

- May have an employee present in the room during an inspection.
- Must allow the individual conducting the inspection to take notes freely during the inspection.
- Must allow the individual to photocopy the document at no charge, if the individual provides photocopying equipment at the place of inspection.

Organizations that do not maintain permanent offices. A tax-exempt organization with no permanent office—

- Must make its application for tax exemption and its annual information returns available for inspection at a reasonable location of its choice.
- Must permit public inspection within a reasonable amount of time after receiving a request for inspection (normally not more than 2 weeks) and at a reasonable time of day.
- May mail, within 2 weeks of receiving the request, a copy of its application for tax exemption and annual information returns to the requester instead of allowing an inspection.
- May charge the requester for copying and actual postage costs only if the requester consents to the charge.

An organization that has a permanent office, but has no office hours, or very limited hours during certain times of the year, must make its documents available during those periods when office hours are limited, or not available, as though it were an organization without a permanent office.

Special rules relating to copies.

Time and place for providing copies in response to requests made in-person. A tax-exempt organization must:

- Provide copies of required documents under section 6104(d) in response to a request made in person at its principal, regional and district offices during regular business hours.
- Provide such copies to a requester on the day the request is made, except for unusual circumstances (see below).

Unusual circumstances. In the case of an in-person request, where unusual circumstances exist so that fulfilling the request on the same business day causes an unreasonable burden to the tax-exempt organization, the organization must provide the copies no later than the next business day following the day that the unusual circumstances cease to exist, or the 5th business day after the date of the request, whichever occurs first.

Unusual circumstances include:

- Requests received that exceed the organization's daily capacity to make copies;
- Requests received shortly before the end of regular business hours that require an extensive amount of copying; or
- Requests received on a day when the organization's managerial staff capable of fulfilling the request is conducting special duties, such as student registration or attending an off-site meeting or convention, rather than its regular administrative duties.

Agents for providing copies. For rules relating to use of agents to provide copies, see Regulations sections 301.6104(d)-1(d)(1) and (2).

Request for copies in writing. A tax-exempt organization must honor a written request for a copy of documents (or the requested part) required under section 6104(d) if the request:

1. Is addressed to, and delivered by mail, electronic mail, facsimile, or a private delivery service, as defined in section 7502(f), to a principal, regional, or district office of the organization; and
2. Sets forth the address to which the copy of the documents should be sent.

Time and manner of fulfilling written requests.

IF the organization	*THEN the organization*
Receives a written request for a copy,	Must mail the copy of the requested documents (or the requested parts) within 30 days from the date it receives the request.

Mails the copy of the requested document,	Is deemed to have provided the copy on the postmark date or private delivery mark (if sent by certified or registered mail, the date of registration or the date of the postmark on the sender's receipt).
Requires payment in advance,	Is required to provide the copies within 30 days from the date it receives payment.
Receives a request or payment by mail,	Is deemed to have received it 7 days after the date of the postmark, absent evidence to the contrary.
Receives a request transmitted by electronic mail or facsimile,	Is deemed to have received it the day the request is transmitted successfully.
Receives a written request without payment or with an insufficient payment, when payment in advance is required,	Must notify the requester of the prepayment policy and the amount due within 7 days from the date of the request's receipt.
Receives consent from an individual making a request,	May provide a copy of the requested document exclusively by electronic mail (the material is provided on the date the organization successfully transmits the electronic mail).

Request for a copy of parts of a document. A tax-exempt organization must fulfill a request for a copy of the organization's entire application for tax exemption or annual information return or any specific part or schedule of its application or return. A request for a copy of less than the entire application or less than the entire return must specifically identify the requested part or schedule.

Fees for copies. A tax-exempt organization may charge a reasonable fee for providing copies.

Before the organization provides the documents, it may require that the individual requesting copies of the documents pay the fee. If the organization has provided an individual making a request with notice of the fee, and the individual does not pay the fee within 30 days, or if the individual pays the fee by check and the check does not clear upon deposit, the organization may disregard the request.

Form of payment—(A) Request made in person. If a tax-exempt organization charges a fee for copying, it must accept payment by cash and money order for requests made in person. The organization may accept other forms of payment, such as credit cards and personal checks.

(B) Request made in writing. If a tax-exempt organization charges a fee for copying and postage, it must accept payment by certified check, money order, and either personal check or credit card for requests made in writing. The organization may accept other forms of payment.

Avoidance of unexpected fees. Where a tax-exempt organization does not require prepayment and a requester does not enclose payment with a request, an organization must receive consent from a requester before providing copies for which the fee charged for copying and postage exceeds $20.

Documents to be provided by regional and district offices. Except as otherwise provided, a regional or district office of a tax-exempt organization must satisfy the same rules as the principal office with respect to allowing public inspection and providing copies of its application for tax exemption and annual information returns.

A regional or district office is not required, however, to make its annual information return available for inspection or to provide copies until 30 days after the date the return is required to be filed (including any extension of time that is granted for filing such return) or is actually filed, whichever is later.

Documents to be provided by local and subordinate organizations.
Applications for tax exemption. Except as otherwise provided, a tax-exempt organization that did not file its own application for tax exemption (because it is a local or subordinate organization covered by a group exemption letter) must, upon request, make available for public inspection, or provide copies of, the application submitted to the IRS by the central or parent organization to obtain the group exemption letter and those documents which were submitted by the central or parent organization to include the local or subordinate organization in the group exemption letter.

However, if the central or parent organization submits to the IRS a list or directory of local or subordinate organizations covered by the group exemption letter, the local or subordinate organization is required to provide only the application for the group exemption ruling and the pages of the list or directory that specifically refer to it. The local or subordinate organization must permit public inspection, or comply with a request for copies made in person, within a reasonable amount of time (normally not more than 2 weeks) after receiving a request made in person for public inspection or copies and at a reasonable time of day. See Regulations section 301.6104(d)-1(f) for further information.

Annual information returns. A local or subordinate organization that does not file its own annual information return (because it is affiliated with a central or parent organization that files a group return) must, upon request, make available for public inspection, or provide copies of, the group returns filed by the central or parent organization.

However, if the group return includes separate schedules with respect to each local or subordinate organization included in the group return, the local or subordinate organization receiving the request may omit any schedules relating only to other organizations included in the group return.

The local or subordinate organization must permit public inspection, or comply with a request for copies made in person, within a reasonable amount of time (normally not more than 2 weeks) after receiving a request made in person for public inspection or copies and at a reasonable time of day.

In a case where the requester seeks inspection, the local or subordinate organization may mail a copy of the applicable documents to the requester within the same time period instead of allowing an inspection. In such a case, the organization may charge the requester for copying and actual postage costs only if the requester consents to the charge.

If the local or subordinate organization receives a written request for a copy of its annual information return, it must fulfill the request by providing a copy of the group return in the time and manner specified in the paragraph above, *Request for copies in writing*.

The requester has the option of requesting from the central or parent organization, at its principal office, inspection or copies of group returns filed by the central or parent organization. The central or parent organization must fulfill such requests in the time and manner specified in the paragraphs, *Special rules relating to public inspection* and *Special rules relating to copies* above.

Failure to comply. If an organization fails to comply with the requirements specified in this paragraph, the penalty provisions of sections 6652(c)(1)(C), 6652(c)(1)(D), and 6685 apply.

Making applications and returns widely available. A tax-exempt organization is not required to comply with a request for a copy of its application for tax exemption or an annual information return if the organization has made the requested document widely available (see below).

An organization that makes its application for tax exemption and/or annual information return widely available must nevertheless make the document available for public inspection as required under Regulations section 301.6104(d)-1(a).

A tax-exempt organization makes its application for tax exemption and/or an annual information return widely available if the organization complies with the Internet posting requirements and the notice requirements given below.

Internet posting. A tax-exempt organization can make its application for tax exemption and/or an annual information return widely available by posting the document on a World Wide Web page that the tax-exempt organization establishes and maintains or by having the document posted, as part of a database of similar documents of other tax-exempt organizations, on a World Wide Web page established and maintained by another entity. The document will be considered widely available only if—

(A) The World Wide Web page through which it is available clearly informs readers that the document is available and provides instructions for downloading it;

(B) The document is posted in a format that, when accessed, downloaded, viewed and printed in hard copy, exactly reproduces the image of the application for tax exemption or annual information return as it was originally filed with the IRS, except for any information permitted by statute to be withheld from public disclosure; and

(C) Any individual with access to the Internet can access, download, view and print the document without special computer hardware or software required for that format (other than software that is readily available to members of the public without payment of any fee) and without payment of a fee to the tax-exempt organization or to another entity maintaining the World Wide Web page.

Reliability and accuracy. In order for the document to be widely available through an Internet posting, the entity maintaining the World Wide Web page must have procedures for ensuring the reliability and accuracy of the document that it posts on the page and must take reasonable precautions to prevent alteration, destruction or accidental loss of the document when posted on its page. In the

event that a posted document is altered, destroyed or lost, the entity must correct or replace the document.

Notice requirement. If a tax-exempt organization has made its application for tax exemption and/or an annual information return widely available, it must notify any individual requesting a copy where the documents are available (including the address on the World Wide Web, if applicable). If the request is made in person, the organization must provide such notice to the individual immediately. If the request is made in writing, the notice must be provided within 7 days of receiving the request.

Tax-exempt organization subject to harassment campaign. If the Director EO Examination (or designee) determines that the organization is being harassed, a tax-exempt organization is not required to comply with any request for copies that it reasonably believes is part of a harassment campaign.

Whether a group of requests constitutes a harassment campaign depends on the relevant facts and circumstances such as:

A sudden increase in requests; an extraordinary number of requests by form letters or similarly worded correspondence; hostile requests; evidence showing bad faith or deterrence of the organization's exempt purpose; prior provision of the requested documents to the purported harassing group; and a demonstration that the organization routinely provides copies of its documents upon request.

A tax-exempt organization may disregard any request for copies of all or part of any document beyond the first two received within any 30-day period or the first four received within any 1-year period from the same individual or the same address, regardless of whether the Director EO Examination (or designee) has determined that the organization is subject to a harassment campaign.

A tax-exempt organization may apply for a determination that it is the subject of a harassment campaign and that compliance with requests that are part of the campaign would not be in the public interest by submitting a signed application to the Director EO Examination (or designee) for the area where the organization's principal office is located.

In addition, the organization may suspend compliance with any request it reasonably believes to be part of the harassment campaign until it receives a response to its application for a harassment campaign determination. However, if the Director EO Examination (or designee) determines that the organization did not have a reasonable basis for requesting a determination that it was subject to a harassment campaign or reasonable belief that a request was part of the campaign, the officer, director, trustee, employee, or other responsible individual of the organization remains liable for any penalties for not providing the copies in a timely fashion. See Regulations section 301.6104(d)-3.

Form **990-T**

Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

For calendar year 2010 or other tax year beginning _____, 2010, and ending , 20 . ▶ See separate instructions.

OMB No. 1545-0687

2010

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

A ☐ Check box if address changed

B Exempt under section
☑ 501(c)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

C Book value of all assets at end of year 147,162,931

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
MERCYHURST COLLEGE

Number, street, and room or suite no. If a P.O. box, see instructions.
501 EAST 38th STREET

City or town, state, and ZIP code
ERIE, PENNSYLVANIA 16546-0001

D Employer identification number (Employees' trust, see instructions.)
25-0965430

E Unrelated business activity codes (See instructions.)
713990

F Group exemption number (See instructions.) ▶

G Check organization type ▶ ☑ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ Recreational facility rental - Mercyhurst Ice Center

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 ▶ Director of Finance Telephone number ▶ 814-824-2276

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances c Balance ▶	1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5	467		467
6	Rent income (Schedule C)	6	184,715	91,979	92,736
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11	10,445	400	10,045
12	Other income (See instructions; attach schedule.)	12			
13	**Total.** Combine lines 3 through 12	13	195,627	92,379	103,248

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

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	
20	Charitable contributions (See instructions for limitation rules.)		20	10,325
21	Depreciation (attach Form 4562)	21		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach schedule)		28	
29	**Total deductions.** Add lines 14 through 28		29	10,325
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	92,923
31	Net operating loss deduction (limited to the amount on line 30)		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	92,923
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)		33	1,000
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	91,923

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation. 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) $ 0 (2) $ 0 (3) $ 0		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $ 0 **(2)** Additional 3% tax (not more than $100,000) $ 0		
c	Income tax on the amount on line 34 ▶	35c	17,981
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	17,981

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	
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	
44a	Payments: A 2009 overpayment credited to 2010	44a	3,252		
b	2010 estimated tax payments	44b	10,400		
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	13,652
46	Estimated tax penalty (see 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	4,232
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 2011 estimated tax** ▶ **Refunded** ▶			49	

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

		Yes	No
1	At any time during the 2010 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 ▶ Cayman Islands	✔	
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 instructions for other forms the organization may have to file.		✔
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

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

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

Sign Here

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.

Signature of officer | Date | Title: VP for Finance & Treasurer

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶ BKD, LLP 312 Walnut Street, Suite 3000			Firm's EIN ▶	44-0610260
Firm's address ▶ P.O. Box 5367, Cincinnati, Ohio 45201-5367			Phone no.	260-460-4000

Sign Here

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.

Signature of officer	Date	Title
Jane M. Kelsey	3-28-12	VP for Finance & Treasurer

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
		4/6/12		
Firm's name ▶ BKD, LLP 312 Walnut Street, Suite 3000			Firm's EIN ▶	44-0610260
Firm's address ▶ P.O. Box 5367, Cincinnati, Ohio 45201-5367			Phone no.	260-460-4000

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

1. Description of property

(1) **Mercyhurst Ice Center facility rental, including ice time, ice preparation and maintenance, locker rooms, and concessions.**

(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) 184,715	0	91,979
(2)		
(3)		
(4)		
Total 187,715	Total 0	**(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶ 91,979
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . ▶ 184.715		

Schedule E—Unrelated Debt-Financed Income (see instructions)

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)		%		
Totals . . . . . ▶			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8 . . . . . ▶				

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

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)				
Totals . . . . . ▶			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)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals . . . . . ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals . . . . . ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) . . ▶						

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.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1-5) . . . . ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 . . . . . ▶			

SCHEDULE D (Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.
▶ See separate instructions.

OMB No. 1545-0123

2010

Name: MERCYHURST COLLEGE

Employer identification number: 25-0965430

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 shares of Z Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
Amount from Form K-1					4,796

2 Short-term capital gain from installment sales from Form 6252, line 26 or 37	2	4,796
3 Short-term gain or (loss) from like-kind exchanges from Form 8824	3	0
4 Unused capital loss carryover (attach computation)	4	(23,218)
5 Net short-term capital gain or (loss). Combine lines 1 through 4	5	(18,422)

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6					

7 Enter gain from Form 4797, line 7 or 9	7	
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37	8	
9 Long-term gain or (loss) from like-kind exchanges from Form 8824	9	
10 Capital gain distributions (see instructions)	10	
11 Net long-term capital gain or (loss). Combine lines 6 through 10	11	

Part III Summary of Parts I and II

12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)	12	
13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	
14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14	

Note. *If losses exceed gains, see* ***Capital losses*** *in the instructions.*

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2010

Attachment Sequence No. **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
MERCYHURST COLLEGE	Ice Center Facility Rental	25-0965430

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	

8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property.**)** (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	12,110
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	12,110
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) .						**25**		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L –		
		%				S/L –		
		%				S/L –		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .						**28**		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) .												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person? . . .												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . .		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions):					
43 Amortization of costs that began before your 2010 tax year				**43**	
44 **Total.** Add amounts in column (f). See the instructions for where to report				**44**	

INCOME (LOSS) FROM PARTNERSHIPS AND S-CORPORATIONS - PART I - LINE 5

COMMON SENSE INVESTORS II, L.P.	$ 467.00

CHARITABLE CONTRIBUTIONS - PART II - LINE 20

		2010
TOTAL CHARITABLE CONTRIBUTIONS MADE BY THE COLLEGE		$ 114,539.00
INCOME - FORM 990T - PART 1 - LINE 13	103,248	
10% LIMITATION	10,325	
GREATER OF TOTAL OR 10% LIMITATION (REPORTED ON PART II - LINE 20)		

CAPITAL LOSS CARRYOVER - SCHEDULE D - PART 1 - LINE 4

	2010
UNUSED LOSS FROM THE PRIOR YEAR - ESTIMATED K-1 (REPORTED ON 2009 RETURN)	$ (23,218.00)
ADDITIONAL UNUSED LOSS FROM THE PRIOR YEAR - FROM FINAL K-1	-
CURRENT YEAR CAPITAL GAIN	4,796.00
AMOUNT CARRIED FORWARD SUBSEQUENT YEAR	$ (18,422.00)

ICE CENTER EXPENSES

	EXP TYPE	FYE 10-11 EXPENSES	% ALLOCATION TO UNRELATED INCOME	UBTI EXPENSES
SALARIES FT : ICE CENTER : ER : CUF	V	84,408.00	35.43%	29,903
SALARIES PT : ICE CENTER : ER : CUF	V	31,359.00	35.43%	11,110
SALARIES IE : ICE CENTER : ER : CUF	V	-	35.43%	-
ALLOCATED FRINGE BENEFITS : ICE CENTER : E	V	36,382.62	35.43%	12,889
BOOKS : ICE CENTER : ER : CUF	V	88.00		-
COMPUTER SOFTWARE : ICE CENTER : ER : CUF	V	-	35.43%	-
CONTRACT SERV. : ICE CENTER : ER : CUF	V	9,082.00	35.43%	3,217
COPYING : ICE CENTER : ER : CUF	F	6.00	14.47%	1
RENT/LEASE EQUIPMENT : ICE CENTER : ER : CUF	F	2,556.00	14.47%	370
REPAIR & MAINT : ICE CENTER : ER : CUF	F	14,639.00	14.47%	2,119
REPAIR & MAINT VEHICLES : ICE CENTER : ER : CUF	F	-	14.47%	-
SUPPLIES : ICE CENTER : ER : CUF	F	1,725.00	14.47%	250
TELEPHONE : ICE CENTER : ER : CUF	F	440.00	14.47%	64
TRAVEL & LIVING : ICE CENTER : ER : CUF	V	424.00	35.43%	150
UTIL/ELECTRIC : ICE CENTER : ER : CUF	F	61,211.00	14.47%	8,860
UTIL/NATL GAS : ICE CENTER : ER : CUF	F	28,960.00	14.47%	4,192
NON CAP EQUIP <$1,000 : ICE CENTER : ER :	V	3,373.00	35.43%	1,195
		274,653.62		
ADD: INTEREST	F	29,218.00	14.47%	4,229
ADD: INSURANCE	F	2,750.00	14.47%	398
ADD: GENERAL OVERHEAD ALLOCATION (20%)	F	7,862.00	14.47%	1,138
ADD: DEPRECIATION (FORM 4562)	F	82,169.00	14.47%	11,894
		$ 396,652.62		**91,979**

The formula for overhead is 20% of the total, before overhead is added in.

ICE CENTER INTEREST EXPENSE

	EXP TYPE	FYE 10-11 EXPENSES	% ALLOCATION TO UNRELATED INCOME	UBTI EXPENSES
PRIMARY FINANCING: 1991 BOND ISSUE		1,250,000.00		
REFINANCING:				
1993 BOND ISSUE:				
OUTSTANDING ON 1991 BOND ISSUE		1,250,000.00		
FACE AMOUNT OF 1993 ISSUE		23,715,000.00		
PORTION OF PRIMARY FINANCING WITHIN 1993 BOND ISSUE		5.27%		
2004 BOND ISSUE:				
OUTSTANDING ON 1993 BOND ISSUE WHEN REFINANCED		17,880,000.00		
FACE AMOUNT OF 2004 ISSUE		18,365,000.00		
PORTION OF 1993 WITHIN 2004 BOND ISSUE		97.36%		
PORTION OF PRIMARY FINANCING WITHIN 2004 BOND ISSUE		5.13%		
INTEREST EXPENSE FOR 2010-11 ON 2004 BOND ISSUE		558,784.00		
SHARE ATTRIBUTABLE TO ICE CENTER (1991 ISSUE)		5.13%		
INTEREST ATTRIBUTABLE TO ICE CENTER	F	**$ 28,675.26**	**100.00%**	**$ 28,675.26**
FINANCING of ICE CENTER ADDITIONS : 2001 BOND ISSUE		300,000.00		
FACE AMOUNT OF 2001 ISSUE		5,500,000.00		
PORTION OF PRIMARY FINANCING WITHIN 1993 BOND ISSUE		5.45%		
INTEREST EXPENSE FOR 2010-11 ON 2001 BOND ISSUE		9,953.00		
SHARE ATTRIBUTABLE TO ICE CENTER (2001 ISSUE)		5.45%		
INTEREST ATTRIBUTABLE TO ICE CENTER	F	**$ 542.89**	**100.00%**	**$ 542.89**
TOTAL INTEREST EXPENSE				**$ 29,218.16**

ICE CENTER DEPRECIATION

	DESCRIPTION	METH	LIFE	CARRYING VALUE 7/1/10	2011 ADDITIONS (DISPOSITIONS)	BOOK VALUE 5/31/11	52-xx-16399-1 ACCM DEPR 7/1/10	ADJ FOR ASSET DISPOSAL	DEPR EXP 5/31/11	52-xx-16399-1 ACCM DEPR 5/31/11	BOOK VALUE 5/31/11
BUILDINGS											
1992	MERCYHURST ICE CENTER	SL	39	1,509,806.46		1,509,806.46	714,576.30	-	38,711.44	753,287.74	756,518.72
1993	MERCYHURST ICE CENTER	SL	39	35438	-	35,438.00	15,901.45	-	908.63	16,810.08	18,627.92
1999	MERCYHURST ICE CENTER	SL	39	334666	-	334,666.00	98,681.50	-	8,580.84	107,262.34	227,403.66
2000	MIC - BLOCK STORAGE BUILDING	SL	39	16105.97	-	16,105.97	4,336.12	-	412.96	4,749.08	11,356.89
2002	ICE CENTER ADDITION	SL	39	330849.36	-	330,849.36	72,106.16	-	8,482.98	80,589.14	250,260.22
2004	ICE CENTER ADDITION	SL	39	71,159.88	-	71,159.88	11,859.54	-	1,824.54	13,684.08	57,475.80
2005	ICE CENTER - LOCKERS	SL	39	380,179.61	-	380,179.61	42,667.56	-	9,747.81	52,415.36	327,764.25
2006	ICE CENTER - ROOF	SL	39	8,000.00	-	8,000.00	914.64	-	205.12	1,119.76	6,880.24
2010	ICE CENTER - GENERAL	SL	39	7,100.00	-	7,100.00	83.57	-	182.04	265.61	6,834.39
2011	ICE CENTER - GENERAL	SL	39	-	82,993.10	82,993.10	-	-	976.83	976.83	82,016.27
2011	ICE CENTER - WEIGHT ROOM	SL	39	-	309,230.96	309,230.96	-	-	3,639.65	3,639.65	305,591.31
				2,693,305.28	**392,224.06**	**3,085,529.34**	**961,126.84**	**-**	**73,672.82**	**1,034,799.67**	**2,050,729.67**
EQUIPMENT											
9/1/04	ICE MACHINE	MACRS	7	4,863.50	-	4,863.50	4,863.50	-	-	4,863.50	-
4/27/98	ZAMBONI	MACRS	7	53,000.00	-	53,000.00	53,000.00	-	-	53,000.00	-
5/31/07	BOARDS & GLASS	MACRS	7	68,025.00	-	68,025.00	34,679.15	-	8,496.32	43,175.47	24,849.53
5/31/07	BOARDS & GLASS	SEC 179	1	108,000.00	-	108,000.00	108,000.00	-	-	108,000.00	-
				233,888.50	**-**	**233,888.50**	**200,542.65**	**-**	**8,496.32**	**209,038.97**	**24,849.53**
				2,927,193.78	**392,224.06**	**3,319,417.84**	**1,161,669.49**	**-**	**82,169.15**	**1,243,838.63**	**2,075,579.21**