



Mercyhurst
COLLEGE

**FEDERAL
FORM
990**

June 30, 2008

Goods or services a donee organization provides in consideration for a payment by a taxpayer include goods or services provided in a year other than the year in which the donor makes the payment to the donee organization.

Intangible religious benefits.

Intangible religious benefits must be provided by organizations organized exclusively for religious purposes. Examples include:

- Admission to a religious ceremony, and
- *De minimis* tangible benefits, such as wine, provided in connection with a religious ceremony.

Distributing organization as donee. An organization described in section 170(c), or an organization described as a Principal Combined Fund Organization for purposes of the Combined Federal Campaign, that receives a payment made as a contribution is treated as a donee organization even if the organization distributes the amount received to one or more organizations described in section 170(c).

Penalties. A charity that knowingly provides a false substantiation acknowledgment to a donor may be subject to the penalties under section 6701 for aiding and abetting an understatement of tax liability.

Charities that fail to provide the required disclosure statement for a *quid pro quo* contribution of more than \$75 will incur a penalty of \$10 per contribution, not to exceed \$5,000 per fundraising event or mailing. The charity may avoid the penalty if it can show that the failure was due to reasonable cause (section 6714).

M. Public Inspection of Returns, etc.

Some members of the public rely on Form 990, or Form 990-EZ, 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 returns.

An organization's completed Form 990, or Form 990-EZ, is available for public inspection as required by section 6104. Schedule B (Form 990, 990-EZ, or 990-PF) is open for public inspection for section 527 organizations filing Form 990 or Form 990-EZ. For other organizations that file Form 990 or Form 990-EZ, parts of Schedule B may be open to public inspection. Form 990-T filed after August 17, 2006, by a 501(c)(3) organization to report any unrelated business income, is also available for public inspection and disclosure.

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 disc (CD). 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 CDs, 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. Additionally, the IRS may not disclose the names and addresses of contributors. See the Instructions for Schedule B (Form 990, 990-EZ, or 990-PF) for more information about the disclosure of that schedule.

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

A return, report, notice, or exemption application may be inspected at an IRS office free of charge. Copies of these items may also be obtained through the organization as discussed in the following section.

Through the Organization

Public inspection and distribution of certain returns of unrelated business income. Section 501(c)(3) organizations that are required to file Form 990-T after August 17, 2006, must make Form 990-T available for public inspection under section 6104(d)(1)(A)(ii).

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 organization*, later. Generally, Form 8871 and Form 8872 are available for inspection and printing from the Internet. The website address for both of these forms is www.irs.gov/charities/political/article/0,,id=109332,00.html.



TIP 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). See the Instructions for Schedule B.

The penalties discussed in *General Instruction K* also apply to section 527 political organizations (Rev. Rul. 2003-49, 2003-204 I.R.B. 903).

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, (for Form 990-T, this requirement only applies to Form 990-T's filed after August 17, 2006) 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:

- 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.



If there is no prescribed application form, see Regulations section 301.6104(d)-1(b)(4)(i).

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.
- An exact copy of Form 990-T if one is filed by a 501(c)(3) organization.

The copy must include all information furnished to the IRS on Form 990, Form 990-EZ, or Form 990-T 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, scientific research, 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 earlier, *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* earlier.

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:

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

N. Disclosures Regarding Certain Information and Services Furnished

A section 501(c) organization that offers to sell or solicits money for specific information or for a routine service for any individual that could be obtained by such individual from a federal government agency free or for a nominal charge, must disclose that fact conspicuously when making such offer or solicitation. Any organization that intentionally disregards this requirement will be subject to a penalty for each day on which the offers or solicitations are made. The penalty imposed for a particular day is the greater of \$1,000 or 50% of the total cost of the offers and solicitations made on that day that lacked the required disclosure (section 6711).

O. Disclosures Regarding Certain Transactions and Relationships

In their annual returns on Schedule A (Form 990 or 990-EZ), section 501(c)(3) organizations must disclose information regarding their direct or indirect transfers to, and other direct or indirect relationships with, other section 501(c) organizations (except other section 501(c)(3) organizations) or section 527 political organizations (section 6033(b)(9)). This provision helps prevent the diversion or expenditure of a section 501(c)(3) organization's funds for purposes not intended by section 501(c)(3). All section 501(c)(3) organizations must maintain records regarding all such transfers, transactions, and relationships. See also *General Instruction K* regarding penalties.

P. Intermediate Sanction Regulations—Excess Benefit Transactions

The intermediate sanction regulations are important to the exempt organization community as a whole, and for ensuring compliance in this area. The rules provide a roadmap by which an organization may steer clear of situations that may give rise to inurement.

Under section 4958, any disqualified person who benefits from an excess benefit transaction with an applicable tax-exempt organization is liable for a 25% tax on the excess benefit. The disqualified person is also liable for a 200% tax on the excess benefit if the excess benefit is not corrected by a certain date. Also, organization managers who participate in an excess

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

▶ 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 7/1/2007, and ending 6/30/2008

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
MERCYHURST COLLEGE

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
501 East 38th Street

City or town, state or country, and ZIP + 4
Erie, PA 16546-0001

D Employer identification number
25 0965430

E Telephone number
(814) 824-2000

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 (If "No," attach a list. See instructions.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling? Yes No
- I** Group Exemption Number ▶
- M** Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G Website: ▶ **www.mercyhurst.edu**

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. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **109,942,707**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:					
	a Contributions to donor advised funds	1a			0	
	b Direct public support (not included on line 1a)	1b			5,170,433	
	c Indirect public support (not included on line 1a)	1c			0	
	d Government contributions (grants) (not included on line 1a)	1d			161,901	
	e Total (add lines 1a through 1d) (cash \$ 5,191,876 noncash \$ 140,458)					1e 5,332,334
	2 Program service revenue including government fees and contracts (from Part VII, line 93)					2 99,225,901
	3 Membership dues and assessments					3 0
	4 Interest on savings and temporary cash investments					4 388,909
	5 Dividends and interest from securities					5 1,111,955
	6a Gross rents	6a			227,456	
	b Less: rental expenses	6b			0	
c Net rental income or (loss). Subtract line 6b from line 6a					6c 227,456	
7 Other investment income (describe ▶)					7 0	
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
	3,529,000	8a	17,350			
	3,156,092	8b	1,758			
	372,908	8c	15,592			
	d Net gain or (loss). Combine line 8c, columns (A) and (B)					8d 388,500
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ 0 of contributions reported on line 1b)	9a			0		
b Less: direct expenses other than fundraising expenses	9b			0		
c Net income or (loss) from special events. Subtract line 9b from line 9a					9c 0	
10a Gross sales of inventory, less returns and allowances	10a			0		
	b Less: cost of goods sold	10b		0		
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a					10c 0	
11 Other revenue (from Part VII, line 103)					11 109,802	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11					12 106,784,857	
Expenses	13 Program services (from line 44, column (B))				13 89,203,366	
	14 Management and general (from line 44, column (C))				14 9,098,872	
	15 Fundraising (from line 44, column (D))				15 1,474,211	
	16 Payments to affiliates (attach schedule)				16 0	
	17 Total expenses. Add lines 16 and 44, column (A)					17 99,776,449
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12				18 7,008,408	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))				19 71,600,042	
	20 Other changes in net assets or fund balances (attach explanation) Stmt 2				20 -3,198,060	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20					21 75,410,390

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 the 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 schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22b	Other grants and allocations (attach schedule) (cash \$ 32,305,567 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	32,305,567	32,305,567		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0	0		
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	1,556,122	408,616	877,286	270,220
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B	114,174	0	6,299	107,875
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)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	25,033,478	21,332,419	3,155,809	545,250
27	Pension plan contributions not included on lines 25a, b, and c	1,126,062	919,662	171,686	34,714
28	Employee benefits not included on lines 25a - 27	5,661,404	4,537,703	934,708	188,993
29	Payroll taxes	1,907,961	1,558,245	290,898	58,818
30	Professional fundraising fees	0	0	0	0
31	Accounting fees	84,712	5,000	79,712	0
32	Legal fees	65,440	13,065	52,375	0
33	Supplies	1,421,130	1,258,596	150,413	12,121
34	Telephone	472,236	81,675	388,806	1,755
35	Postage and shipping	292,476	234,524	41,235	16,717
36	Occupancy	754,378	754,378	0	0
37	Equipment rental and maintenance	1,374,224	1,100,092	264,819	9,313
38	Printing and publications	431,950	334,368	62,038	35,544
39	Travel	2,236,802	2,012,886	155,181	68,735
40	Conferences, conventions, and meetings	0	0	0	0
41	Interest	2,060,921	1,606,532	454,389	0
42	Depreciation, depletion, etc. (attach schedule)	3,838,135	3,838,135	0	0 Stmt 4
43	Other expenses not covered above (itemize): See Statement 5	19,039,277	16,901,903	2,013,218	124,156
a	-----				
b	-----				
c	-----				
d	-----				
e	-----				
f	-----				
g	-----				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	99,776,449	89,203,366	9,098,872	1,474,211

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? ► Post-secondary education.	Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)</small>
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.) a See Statement 6 (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services). ►	89,203,366

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	0	45	0
	46 Savings and temporary cash investments	10,039,343	46	9,618,682
	47a Accounts receivable	2,443,478		
	b Less: allowance for doubtful accounts	930,023	1,210,803	47c
				1,513,455
	48a Pledges receivable	3,764,492		
	b Less: allowance for doubtful accounts	55,000	834,667	48c
				3,709,492
	49 Grants receivable		565,472	49
				954,527
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		0	50a
				0
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		0	50b
				0
	51a Other notes and loans receivable (attach schedule) See Statement 7	2,916,459		
	b Less: allowance for doubtful accounts	118,677	2,631,217	51c
				2,797,782
	52 Inventories for sale or use		379,169	52
				413,866
53 Prepaid expenses and deferred charges		271,382	53	
			220,205	
54a Investments—publicly-traded securities	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	25,792,871	54a	
			41,251,355	
b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54b	
			0	
55a Investments—land, buildings, and equipment: basis	422,168			
b Less: accumulated depreciation (attach schedule) See Statement 8	0	422,168	55c	
			422,168	
56 Investments—other (attach schedule)		0	56	
			0	
57a Land, buildings, and equipment: basis	116,170,160			
b Less: accumulated depreciation (attach schedule) Stmt 9	41,820,046	70,520,379	57c	
			74,350,114	
58 Other assets, including program-related investments (describe See Statement 10)		419,479	58	
			892,310	
59 Total assets (must equal line 74). Add lines 45 through 58		113,086,950	59	
			136,143,956	
Liabilities	60 Accounts payable and accrued expenses	4,264,835	60	4,599,113
	61 Grants payable	0	61	0
	62 Deferred revenue	1,032,739	62	1,239,762
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64a Tax-exempt bond liabilities (attach schedule) See Statement 11	30,495,000	64a	48,755,000
	b Mortgages and other notes payable (attach schedule) Stmt 12	1,707,291	64b	1,699,116
	65 Other liabilities (describe See Statement 13)	3,987,043	65	4,440,575
66 Total liabilities. Add lines 60 through 65		41,486,908	66	
			60,733,566	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	54,256,070	67	58,641,306
	68 Temporarily restricted	6,438,541	68	4,648,938
	69 Permanently restricted	10,905,431	69	12,120,146
	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)		71,600,042	73
				75,410,390
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		113,086,950	74	
			136,143,956	

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<input checked="" type="checkbox"/>	
	82a	<input checked="" type="checkbox"/>	
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b <u>174,433</u>		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
	83a	<input checked="" type="checkbox"/>	
	b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
	83b	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
	84a		<input checked="" type="checkbox"/>
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
	85a		
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	85b		
	c Dues, assessments, and similar amounts from members	85c	
	d Section 162(e) lobbying and political expenditures	85d	
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
	b Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	<input checked="" type="checkbox"/>
	b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	<input checked="" type="checkbox"/>
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	<input checked="" type="checkbox"/>
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u>		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0</u>		
	e <i>All organizations.</i> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
	f <i>All organizations.</i> Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
	g <i>For supporting organizations and sponsoring organizations maintaining donor advised funds.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	<input checked="" type="checkbox"/>
90a	List the states with which a copy of this return is filed PA		
	b Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	90b	2132
91a	The books are in care of James F Lieb Telephone no. 814-824-2276 Located at 501 East 38th Street, Erie, PA ZIP + 4 16546-0001		
	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91b	<input checked="" type="checkbox"/>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

	Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "Yes," enter the name of the foreign country ▶		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here ▶ <input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the tax year . . ▶ 92		

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Tuition & Fees					75,435,712
b Auxilliary Enterprises					17,379,258
c Governmental Grants					5,643,891
d Other Educational-related Income					767,040
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	388,909	
96 Dividends and interest from securities			14	1,111,955	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					18,526
98 Net rental income or (loss) from personal property	713900	200,065			8,865
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	388,500	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Concessions & Food Sales					46,196
b Student Newspaper & Other Advertising					33,273
c Other					23,503
d Alcohol Education & Awareness					6,830
e					
104 Subtotal (add columns (B), (D), and (E))		200,065		1,889,364	99,363,094
105 Total (add line 104, columns (B), (D), and (E)) ▶					101,452,523

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 20

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI **Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2007, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Please 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 officer) is based on all information of which preparer has any knowledge.

▶ _____ Date _____
 Signature of officer
▶ **Jane M Kelsey, Vice President of Finance**
 Type or print name and title

Paid Preparer's Use Only	Preparer's signature ▶ _____	Date _____	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ _____, _____, _____	EIN ▶ _____	Phone no. ▶ (_____) _____	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2007

Name of the organization MERCYHURST COLLEGE	Employer identification number 25 0965430
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Breckenridge James G 501 East 38th Street, Erie, PA 16546-0001, US	Faculty 45	114,272	6,112	0
Wheaton Kristan 501 East 38th Street, Erie, PA 16546-0001, US	Faculty 45	110,450	4,814	0
Sisti Michael A 501 East 38th Street, Erie, PA 16546-0001, US	W Hockey Coach 45	102,248	17,293	0
Gotkin Rick A 501 East 38th Street, Erie, PA 16546-0001, US	M Hockey Coach 45	95,700	13,333	0
Manchel Gary 501 East 38th Street, Erie, PA 16546-0001, US	M Basketball Coach 45	87,814	9,268	0
Total number of other employees paid over \$50,000 ▶	123			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
BKD LLP 312 Walnut Street Suite 3000, Cincinnati, OH 45201-5367, US	Accounting & Audit	93,385
Knox McLaughlin Gornall Sennett PC 120 West Tenth Street, Erie, PA 16501, US	Legal	53,501
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Crowther Construction Company 125 Allison Road, Seneca, PA 16346, US	Construction Contractor	919,405
Neilsen Painting 3209 Regis Drive, Erie, PA 16510, US	Painting Contractor	117,195
Commercial Management Solutions 8 Bloomfield Parkway, Erie, PA 16509, US	Maintenance Management	74,500
Ellen R Feerst 9948 Woodrow Street, Vienna, VA 22181, US	Program Consulting	72,750
Dick Morewood Plumbing 4560 West Lake Road, Erie, PA 16505, US	Plumbing Contractor	61,700
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III **Statements About Activities** (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)	1	✓
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)	See Statement 21	
a Sale, exchange, or leasing of property?	2a	✓
b Lending of money or other extension of credit?	2b	✓
c Furnishing of goods, services, or facilities?	2c	✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	✓
e Transfer of any part of its income or assets?	2e	✓
See Form 990, Pt. V		
3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a	✓
Stmt. 23		
b Did the organization have a section 403(b) annuity plan for its employees?	3b	✓
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	✓
Stmt 22		
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	✓
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	✓
b Did the organization make any taxable distributions under section 4966?	4b	✓
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	✓
d Enter the total number of donor advised funds owned at the end of the tax year ▶	_____	
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	_____	
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶	_____ 0	
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶	_____ 0	

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: **(1) more than 33½%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33½%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶					26d
e Public support (line 26c minus line 26d total) ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c
d Add: Line 27a total _____ and line 27b total _____ ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	✓	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	✓	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) See Statement 24	✓	

32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	✓	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	✓	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	✓	
d Copies of all material used by the organization or on its behalf to solicit contributions?	✓	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		

33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		✓
b Admissions policies?		✓
c Employment of faculty or administrative staff?		✓
d Scholarships or other financial assistance?		✓
e Educational policies?		✓
f Use of facilities?		✓
g Athletic programs?		✓
h Other extracurricular activities?		✓
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34a Does the organization receive any financial aid or assistance from a governmental agency?	✓	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement. Stmnt 25		✓
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	✓	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table—		
	If the amount on line 40 is— The lobbying nontaxable amount is—		
	Not over \$500,000 20% of the amount on line 40	41	
	Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		✓	
b Paid staff or management (Include compensation in expenses reported on lines c through h .)		✓	
c Media advertisements		✓	
d Mailings to members, legislators, or the public		✓	
e Publications, or published or broadcast statements		✓	
f Grants to other organizations for lobbying purposes		✓	
g Direct contact with legislators, their staffs, government officials, or a legislative body		✓	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		✓	
i Total lobbying expenditures (Add lines c through h .)			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Statement 1

Form: 990

Page: 1

Part: I

Question: 8

MERCYHURST COLLEGE**25-0965430****Sales of Assets Other than Inventory**

Noninventory Asset

Description: Dormitory Furniture
Sold To: Family First Sports Park

Sales Price:	\$850.00	Date Sold:	12/07/2007
Expense of Sale:	\$8.00	Date acquired:	07/01/2000
Cost or value when acquired:	\$3,000.00	How acquired:	Purchase
Depreciation since acquisition:	\$3,000.00		
Net Sale:	\$842.00		

Noninventory Asset

Description: 1998 Rowing Boat
Sold To: Traded in on new boat

Sales Price:	\$8,000.00	Date Sold:	06/01/2008
Expense of Sale:	\$0.00	Date acquired:	06/01/1998
Cost or value when acquired:	\$17,500.00	How acquired:	Purchase
Depreciation since acquisition:	\$15,750.00		
Net Sale:	\$6,250.00		

Noninventory Asset

Description: 1996 Rowing Boat
Sold To: Traded in on new boat

Sales Price:	\$8,500.00	Date Sold:	06/01/2008
Expense of Sale:	\$0.00	Date acquired:	06/01/1996
Cost or value when acquired:	\$16,000.00	How acquired:	Purchase
Depreciation since acquisition:	\$16,000.00		
Net Sale:	\$8,500.00		

Publicly Traded Securities

Description:
Sold To:

Sales Price:	\$3,529,000.00	Date Sold:	
Expense of Sale:	\$126.00	Date acquired:	
Cost or value when acquired:	\$3,155,966.00	How acquired:	
Depreciation since acquisition:	\$0.00		
Net Sale:	\$372,908.00		

Statement 2

Form: 990

Page: 1

Part: I

Question: 20

MERCYHURST COLLEGE**25-0965430****Other changes in Net Assets or Fund Balances**

Explanation	Amount
Unrealized Gains	-\$3,070,562.00
Net Change in Value of Split Interest Agreement	-\$127,498.00
Total:	-\$3,198,060.00

Statement 3

Form: 990
Page: 2
Part: II
Question: 22b

MERCYHURST COLLEGE
25-0965430

Grants and Allocations

Classification Charitable contributions to Local Various Local Organizations

Date:

Type: Cash

Address: Various

Grant Amt \$91,756.00

Erie, PA 16546
United States

Purp of payment to affiliate

Relationship: None

Description of Property:

How Determined

Book Value of Property:

FMV of Property:

Classification Financial Aid to Enrolled College Students Various Students

Date:

Type: Cash

Address: Various

Grant Amt \$32,046,811.00

Various, PA 16546
United States

Purp of payment to affiliate

Relationship: Enrolled College Students

Description of Property:

How Determined

Book Value of Property:

FMV of Property:

Classification Charitable contribution - 4th of July City of Erie Pennsylvania

Date:

Type: Cash

Address: City Hall

Grant Amt \$167,000.00

Erie, PA 16501
United States

Purp of payment to affiliate

Relationship: None

Description of Property:

How Determined

Book Value of Property:

FMV of Property:

Total Grants: \$32,305,567.00

Statement 4

Form: 990

Page: 2

Part: II

Question: 42

MERCYHURST COLLEGE**25-0965430****Depreciation and Depletion**

Asset	Current Deprec.
Library Holdings	\$180,188.00
Land Improvements	\$478,520.00
Buildings & Improvements	\$1,816,837.00
Equipment and Furnishings	\$1,299,577.00
Amortization	\$63,013.00
Total	\$3,838,135.00

Statement 5

Form: 990

Page: 2

Part: II

Question: 43

MERCYHURST COLLEGE**25-0965430****Attachment listing other expenses for Part II**

Description	Total:	Pgm Services	Mgt and General	Fundraising
Cost of Sales - Foodservice	\$3,118,303.00	\$3,118,303.00	\$0.00	\$0.00
Contracted Services	\$3,050,187.00	\$2,368,952.00	\$654,897.00	\$26,338.00
Utilities	\$2,221,694.00	\$1,908,936.00	\$266,682.00	\$46,076.00
Repairs & Maintenance	\$1,955,448.00	\$1,925,408.00	\$30,040.00	\$0.00
Cost of Sales - Bookstore	\$1,933,085.00	\$1,933,085.00	\$0.00	\$0.00
Non-capital Equipment	\$1,637,275.00	\$1,372,884.00	\$259,737.00	\$4,654.00
Bad Debt Expense	\$968,750.00	\$968,750.00	\$0.00	\$0.00
Miscellaneous	\$827,252.00	\$685,526.00	\$136,502.00	\$5,224.00
Advertising	\$568,441.00	\$339,812.00	\$225,284.00	\$3,345.00
Dues, Subscriptions & Memberships	\$431,632.00	\$320,744.00	\$101,047.00	\$9,841.00
Books & Periodicals	\$400,481.00	\$394,719.00	\$5,651.00	\$111.00
Copying	\$378,870.00	\$318,085.00	\$51,907.00	\$8,878.00
Recruiting	\$228,094.00	\$228,094.00	\$0.00	\$0.00
Athletic Game Expenses	\$217,903.00	\$217,903.00	\$0.00	\$0.00
Insurance	\$197,844.00	\$197,844.00	\$0.00	\$0.00
Property & Income Taxes	\$185,770.00	\$158,115.00	\$27,655.00	\$0.00
Investment Expenses	\$140,852.00	\$0.00	\$140,852.00	\$0.00
Bank Fees & Charges	\$137,031.00	\$103,599.00	\$33,432.00	\$0.00
Loss on Disposal of Assets	\$106,287.00	\$106,287.00	\$0.00	\$0.00
Production Costs	\$92,278.00	\$84,212.00	\$8,066.00	\$0.00
Computer & Data Processing	\$80,972.00	\$54,193.00	\$26,579.00	\$200.00
Pre-season Camps	\$54,947.00	\$54,947.00	\$0.00	\$0.00
Uncollectible Pledge Write-off	\$25,652.00	\$0.00	\$25,652.00	\$0.00
Accreditation & Assessment	\$21,047.00	\$1,587.00	\$19,460.00	\$0.00
Fundraising Expenses	\$19,489.00	\$0.00	\$0.00	\$19,489.00
Loan Cancellation & Write-off	\$15,366.00	\$15,366.00	\$0.00	\$0.00
Consulting	\$10,274.00	\$10,274.00	\$0.00	\$0.00
Collection Costs	\$9,218.00	\$9,218.00	\$0.00	\$0.00
Tuition Expense	\$4,660.00	\$4,660.00	\$0.00	\$0.00
Prizes & Awards	\$175.00	\$400.00	-\$225.00	\$0.00
Total:	\$19,039,277.00	\$16,901,903.00	\$2,013,218.00	\$124,156.00

Statement 6

Form: 990

Page: 3

Part: III

Question:

MERCYHURST COLLEGE

25-0965430

Program Services

Achievement	Pgm. Svc. Exp.
Higher Education: During the 2007-08 academic school year, over 4,000 students were enrolled in undergraduate, graduate, and associated degree programs. (1107 Degrees conferred)	\$89,203,366.00
Grants and Allocations: \$32,305,567.00 This amount includes foreign grants: No	
	Total: \$89,203,366.00

Statement 7

Form: 990

Page: 4

Part: IV

Question: 51

MERCYHURST COLLEGE**25-0965430****Schedule of Other Notes and Loans Receivable**

Borrower's Name: Federal Perkins Student Loan Program**Borrower's Title:****Original Amount:** \$10,593,119.00**Balance Due:** \$2,916,196.00**Date of Note:****Maturity Date:****Repayment Terms:****Interest Rate:****Security Provided by Borrower:****Purpose of Loan:****Description of Consideration:****FMV of Consideration:****Relationship of Borrower/Lender:**

Borrower's Name: Institutional Student Loan Funds**Borrower's Title:****Original Amount:** \$497,739.00**Balance Due:** \$263.00**Date of Note:****Maturity Date:****Repayment Terms:****Interest Rate:****Security Provided by Borrower:****Purpose of Loan:****Description of Consideration:****FMV of Consideration:****Relationship of Borrower/Lender:**

Total Due: \$2,916,459.00

Statement 8

Form: 990

Page: 4

Part: IV

Question: 55

MERCYHURST COLLEGE

25-0965430

Schedule of Investment Land, Buildings and Equipment

Description	Cost	Depreciation	Book Value
Real Estate	\$422,168.00	\$0.00	\$422,168.00
Total:	\$422,168.00	\$0.00	\$422,168.00

Statement 9

Form: 990

Page: 4

Part: IV

Question: 57

MERCYHURST COLLEGE**25-0965430****Schedule of Land, Buildings and Equipment**

Description	Cost	Depreciation	Book Value
Land Improvements	\$8,327,257.00	\$4,400,415.00	\$3,926,842.00
Buildings & Improvements	\$76,132,987.00	\$18,869,522.00	\$57,263,465.00
Land	\$3,826,217.00	\$0.00	\$3,826,217.00
Furnishings & Equipment	\$20,814,666.00	\$15,380,569.00	\$5,434,097.00
Library Books, etc.	\$4,349,359.00	\$3,169,540.00	\$1,179,819.00
Construction in Progress	\$2,719,674.00	\$0.00	\$2,719,674.00
Total:	\$116,170,160.00	\$41,820,046.00	\$74,350,114.00

Statement 10

Form: 990

Page: 4

Part: IV

Question: 58

MERCYHURST COLLEGE**25-0965430****Other Assets**

Asset Description	BOY Amount	EOY Amount
Deferred Bond Issuance Costs	\$198,080.00	\$379,136.00
Cash Value of Life Insurance	\$121,232.00	\$140,069.00
Discount on Sale of Bonds	\$100,167.00	\$373,105.00
Total:	\$419,479.00	\$892,310.00

Statement 11

Form: 990

Page: 4

Part: IV

Question: 64a

MERCYHURST COLLEGE**25-0965430****Tax Exempt Bond Liabilities**

Purpose:	Construction of an academic building and funding of ice rink renovations.	
Issue Date:	11/01/2001	
Original Amount:	\$5,500,000.00	
Amount of issue outstanding:	\$4,900,000.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	Yes	
Percent used by 3rd Party:	2.77	
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	<i>If 'Yes', this record will not be included in the total returned to the Form 990:</i>

Purpose:	Various asset acquisitions and renovations and payment of issue costs.	
Issue Date:	07/31/2003	
Original Amount:	\$5,475,000.00	
Amount of issue outstanding:	\$4,800,000.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	Yes	
Percent used by 3rd Party:	0.26	
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	<i>If 'Yes', this record will not be included in the total returned to the Form 990:</i>

Purpose:	Various asset purchases and renovations and the payment of issuance costs.	
Issue Date:	11/01/1999	
Original Amount:	\$3,500,000.00	
Amount of issue outstanding:	\$2,600,000.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	No	
Percent used by 3rd Party:		
Obligation is a Mortgage:	No	
Maturity Date:		
Repayment Terms:		
Interest Rate:		
Security Provided by Borrower:		
Contingent Liability:	No	<i>If 'Yes', this record will not be included in the total returned to the Form 990:</i>

Purpose:	Refunding of the 1993 bonds and payment of bond issue costs.	
Issue Date:	10/01/2004	
Original Amount:	\$18,365,000.00	
Amount of issue outstanding:	\$14,485,000.00	
Unexpended Proceeds:	\$0.00	
Facility used by 3rd Party:	Yes	

Percent used by 3rd Party: 3.8

Obligation is a Mortgage: No

Maturity Date:

Repayment Terms:

Interest Rate:

Security Provided by Borrower:

Contingent Liability: No

If 'Yes', this record will not be included in the total returned to the Form 990:

Purpose: Construction of housing facilities.

Issue Date: 06/01/2008

Original Amount: \$21,970,000.00

Amount of issue outstanding: \$21,970,000.00

Unexpended Proceeds: \$16,199,095.00

Facility used by 3rd Party: No

Percent used by 3rd Party:

Obligation is a Mortgage: No

Maturity Date:

Repayment Terms:

Interest Rate:

Security Provided by Borrower:

Contingent Liability: No

If 'Yes', this record will not be included in the total returned to the Form 990:

Total Due: **\$48,755,000.00**

Statement 12

Form: 990

Page: 4

Part: IV

Question: 64b

MERCYHURST COLLEGE**25-0965430****Mortgages and Other Notes Payable**

Type:	Non-Mortgage
Lender's Name:	PNC Bank
Original Amount:	\$1,700,000.00
Balance Due:	\$829,310.00
Date of Note:	05/16/2008
Maturity Date:	12/31/2009
Repayment Terms:	Line of Credit
Interest Rate:	3.959
Security Provided by Borrower:	Gross revenues of the College
Purpose of Loan:	Capital expenditures
Description of Consideration:	Line of Credit
FMV of Consideration:	\$829,310.00
Relationship:	Related party.
Type:	Non-Mortgage
Lender's Name:	MacGray Corporation
Original Amount:	\$179,851.00
Balance Due:	\$171,066.00
Date of Note:	09/01/2007
Maturity Date:	08/01/2017
Repayment Terms:	Monthly lease payments - 10 years
Interest Rate:	16.11
Security Provided by Borrower:	Equipment
Purpose of Loan:	Equipment acquisition
Description of Consideration:	Capital Lease Obligation
FMV of Consideration:	\$171,066.00
Relationship:	Unrelated
Type:	Non-Mortgage
Lender's Name:	National City Bank
Original Amount:	\$1,000,000.00
Balance Due:	\$698,740.00
Date of Note:	06/23/2008
Maturity Date:	03/22/2010
Repayment Terms:	Line of Credit
Interest Rate:	3.731
Security Provided by Borrower:	Unsecured, general obligation of the College
Purpose of Loan:	Short-term working capital and capital expenditures
Description of Consideration:	Line of Credit
FMV of Consideration:	\$698,740.00
Relationship:	Unrelated
Total Due:	\$1,699,116.00

Statement 13

Form: 990

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Part: IV

Question: 65

MERCYHURST COLLEGE

25-0965430

Other Liabilities

Liability Description	BOY Amount	EOY Amount
Federal Loan Programs	\$2,244,764.00	\$2,243,610.00
Trusts Payable	\$285,374.00	\$291,695.00
Student Deposits & Prepayments	\$1,456,905.00	\$1,905,270.00
Total:	\$3,987,043.00	\$4,440,575.00

Statement 14

Form: 990

Page: 5

Part: IV-A

Question: b(4)

MERCYHURST COLLEGE

25-0965430

Revenue Audit Line b(4)

Description	Amount
Split Interest Agreement	-\$127,499.00
Administrative Cost Recovery	\$367,496.00
Total:	\$239,997.00

Statement 15

Form: 990

Page: 5

Part: IV-A

Question: d(2)

MERCYHURST COLLEGE

25-0965430

Revenue Audit Line d(2)

Description	Amount
College Funded Financial Aid and Scholarships	\$29,751,357.00
Total:	\$29,751,357.00

Statement 16

Form: 990

Page: 5

Part: IV-B

Question: b(4)

MERCYHURST COLLEGE

25-0965430

Expense Audit Line b(4)

Description	Amount
Administrative Cost Recovery	\$367,496.00
Total:	\$367,496.00

Statement 17

Form: 990

Page: 5

Part: IV-B

Question: d(2)

MERCYHURST COLLEGE

25-0965430

Expense Audit Line d(2)

Description	Amount
College Funded Financial Aid and Scholarships	\$29,751,357.00
Total:	\$29,751,357.00

Statement 18

Form: 990

Page: 5

Part: V

Question:

MERCYHURST COLLEGE**25-0965430****Officers, Directors, Trustees, and Key Employees**

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Adovasio Dr James A Title: Provost Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	45	\$180,840.00	\$20,291.00	\$3,575.00
Baldauf Mary Ann Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	1	\$0.00	\$0.00	\$0.00
Behan PhD Barbara A Title: VP Academic Affairs Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	45	\$91,731.00	\$14,364.00	\$0.00
Billingsley Thomas A Title: ExVP Administration Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	45	\$115,000.00	\$23,366.00	\$0.00
Brown Dr Gary M Title: ExVP NE/West Campus Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	45	\$110,600.00	\$24,339.00	\$2,181.00
Covert Christina Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	1	\$0.00	\$0.00	\$0.00

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Courneen RSM JoAnne Title: Asst Board Secretary Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	2	\$8,375.00	\$1,320.00	\$0.00
Dahlkemper Mary Ellen Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	2	\$0.00	\$0.00	\$0.00
Dobbs PhD Vernon D Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	1	\$0.00	\$0.00	\$0.00
Durkin Esq Rosemary Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	2	\$0.00	\$0.00	\$0.00
Duska RSM Mary Felice Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	1	\$0.00	\$0.00	\$0.00
Federici PhD Michael Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States	45	\$70,133.00	\$17,358.00	\$0.00
Gamble PhD Thomas J Title: President & Board Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546	45	\$259,454.00	\$31,199.00	\$4,968.00

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Country: United States				
Greenleaf Elizabeth	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Jones Myron	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Kelsey Jane M	45	\$115,000.00	\$16,615.00	\$0.00
Title: VP Finance/Treasurer Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Knight Charles G	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Lanzillo Esq Richard A	2	\$0.00	\$0.00	\$0.00
Title: Vice Chair of Board Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Lewis William G	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Lieb James F	45	\$77,500.00	\$9,148.00	\$0.00
Title: Assistant Treasurer Addr 1: 501 East 38th Street Addr 2:				

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
CSZ: Erie, PA 16546 Country: United States				
Livingston Dr David J	45	\$96,823.00	\$19,423.00	\$780.00
Title: VP Advancement Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Louis F Brady	45	\$24,917.00	\$11,487.00	\$0.00
Title: Board (on Leave) Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Lyden Dr Michael P	45	\$91,305.00	\$17,391.00	\$0.00
Title: VP Enrollment Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Malpiedi Michael	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Marin Dennis	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Mazza Robert	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
McCormick Owen J	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street				

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Addr 2: CSZ: Erie, PA 16546 Country: United States				
McDonald Desmond J	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Miller Robert S	2	\$0.00	\$0.00	\$0.00
Title: Board Secretary Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Monslave Marco A	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Mosco Marlene D	2	\$0.00	\$0.00	\$0.00
Title: Chair of the Board Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Mullen EdD Helen F	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
O'Connor RSM PhD Maria	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Raimy Bruce H	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees				

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Renaud Gary W	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Rohm Kathleen C	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Schimschermer RSM Mary Ann	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Sennett Esq William C	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Smith RSM EdD Maura	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Snyderwine The Rev Msgr LThomas	1	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Theuerkauf Jane	1	\$0.00	\$0.00	\$0.00

Name and Address	Ave. Hrs/week	Comp.	Benefits	Expenses
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Tobin Dr Gerard A	45	\$80,100.00	\$16,539.00	\$0.00
Title: VP Student Life Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
Victor Frank B	2	\$0.00	\$0.00	\$0.00
Title: Board of Trustees Addr 1: 501 East 38th Street Addr 2: CSZ: Erie, PA 16546 Country: United States				
TOTALS		\$1,321,778.00	\$222,840.00	\$11,504.00

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Part: V-B

Question:

MERCYHURST COLLEGE

25-0965430

Former Officers, Directors, Trustees, and Key Employees

Name and Address	Loans and Advances	Comp.	Benefits	Expenses
MQuillen Dr Michael	\$0.00	\$9,449.00	\$0.00	\$0.00
Addr: 501 East 38th Street				
Addr 2:				
CSZ: Erie, PA 16546-0001				
Country: United States				
Compensation Explanation: Health insurance for former President.				
Bennett Linda	\$0.00	\$97,233.00	\$6,712.00	\$780.00
Addr: 501 East 38th Street				
Addr 2:				
CSZ: Erie, PA 16546-0001				
Country: United States				
Compensation Explanation: Former VP of Advancement				
TOTALS	\$0.00	\$106,682.00	\$6,712.00	\$780.00

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Part: VIII

Question:

MERCYHURST COLLEGE**25-0965430****Relationship of Activities**

Line No	Relationship of Activities to the Accomplishment of Exempt Purposes
93 a	Funds instructional programs that enable students to meet their educational requirements and goals.
93 b	Funds student housing, foodservice, and bookstore operations and plant facilities.
93 c	Provides students with financial assistance to meet the costs of education.
93 d	Funds student organizations, programs, music, communication and technology.
97 b	Mercyhurst College does not participate in either the management or the profits of these two rental activities, both are the farming of College owned land currently not being used by the College. The fact that the College receives only an annual rental fee for the land excludes it as Unrelated Business Income
98	Miscellaneous revenue derived from various programs for which the revenue benefits the students participating in the programs.
103 a	Other funding that assists in bringing education to students at a reasonable cost.
103 b	Other funding that assists in bringing education to students at a reasonable cost.
103 c	Other funding that assists in bringing education to students at a reasonable cost.
103 d	Other funding that assists in bringing education to students at a reasonable cost.

Transaction Explanations

Line	Explanation
2b	<p>Senior Management Dr. Thomas J. Gamble, Ph.D., President Dr. Gamble is on the Board of Corporators at Hamot Health Center. This is an advisory board and is not their governing board. The College has leased land to Hamot at its North East campus wherein Hamot has constructed a health center to provide healthcare to the North East community, including the students of Mercyhurst North East. Hamot also hires our graduates, particularly from the allied health programs at North East. Dr. Gamble is also an emeritus board member of Mercyhurst Preparatory School, the high school run by the Sisters of Mercy. Students at Mercyhurst Prep are permitted to take courses at the College at a reduced per course rate. Jane M. Kelsey, Vice President of Finance and Treasurer Ms. Kelsey serves as Vice Chair and a member of the Board of Trustees of Saint Mary's Home of Erie, a local retirement community. She also serves on the Finance Committee and Executive Committee of Saint Mary's Home of Erie. There has been discussion between Saint Mary's and the college about a potential partnership at the college's Mercyhurst West Campus and North East Campuses. Saint Mary's is also an employer of Mercyhurst North East graduates. Ms. Kelsey is also a member of the Board of Corporators at Saint Vincent Health Center. This board is advisory in nature. Saint Vincent's hires nursing and LPN graduates from Mercyhurst North East. She is a member of the Advisory Board of the Barber National Institute. The Barber National Institute offers internship and employment opportunities to Mercyhurst graduates, particularly in education and health related fields of study. Phillip J. Belfiore, Ph.D., Interim Vice President for Academic Affairs (7-1-08) Dr. Belfiore currently serves on the school board of the R.B. Wiley Community Charter School. A number of our education majors have student teaching assignments at the school. Mary Breckenridge, Dean of the Hafenmaier School of Education and Behavioral Sciences Dr. Breckenridge's husband, Jim Breckenridge is Dean of The Walker School of Business and Communication. Mr. Breckenridge also serves as Chair of the Intelligence Studies Program. Dr. Gary Brown, Executive Vice President for Mercyhurst North East and Mercyhurst West Dr. Brown is a member of the Board of Trustees for Brevillier Village, a local retirement community. It is likely that Brevillier Village hires nursing and physical therapist assistant graduates from Mercyhurst North East. Dr. Brown serves on the Hamot Board of Corporators, an advisory board. Hamot leases land from the College and has constructed a health center that serves both the North East Community and the North East student body. Dr. Brown is also a member of the Board of Directors of Leadership Erie. He serves on an advisory board for the First National Bank of Pennsylvania, which rents space from the College at the newly acquired building on Rtes. 89 and 90 in North East. Dr. Peter Benekos, Dean The School of Social Sciences Dr. Benekos's wife, Pat Benekos is Director of Information Technology and Libraries. Ms. Benekos reports to Dr. Philip Belfiore, Interim Vice President of Academic Affairs. Dr. Gerard Tobin, Vice President of Student Affairs Dr. Tobin's wife, Michelle Tobin is a staff psychologist in the Counseling Center as well as an adjunct faculty member in the Adult College, specializing in social work and marriage and family issues. Dr. David Livingston, Vice President for Advancement. Dr. Livingston's wife, Joan Livingston is a part-time counselor in the Counseling Center. No other relationships that could create potential conflicts of interest or related party activities are known to exist among the remaining members of Senior Management. Board of Trustees Marlene D. Mosco, Chair of the Board of Trustees, Member of the Executive Committee, Ex Officio Member of all other Trustee Committees, with the exception of the Committee on Audit by virtue of her office as Board Chair. Ms. Mosco is Regional President of PNC Bank in Erie. The College maintains a number of accounts and business relationships with PNC Bank, including a lockbox account for student accounts receivable, a Visa/Mastercard account, a purchasing card account, several managed accounts for the College's Endowment Fund (Endowment account, Walker CRUT, and Sennett CRAT). PNC Capital Markets also serves as underwriter on matters relating to the College's bond issues. PNC Bank in Erie holds the Letter of Credit on the 1999, 2001, and 2003 bond issues. The College also has a \$1.7 million dollar line of credit with the bank for capital improvements. Fees for services are competitively priced. Ms. Mosco's husband owns Miller Travel Agency, which is one of the preferred travel agencies for the College. To the best of our knowledge, travel services are competitively priced. Bruce Raimy, Member of the Board of Trustees, Member of the Committee on Budget and Finance, Member of the Subcommittee on Endowments and Investments, Vice Chair of the Committee on Audit, and Member of the Committee on Trustees. Mr. Raimy is Partner of JGB Consulting, and part owner of Welders Supply Co. The College purchases certain</p>

Line**Explanation**

maintenance supplies, oxygen and helium for its science labs from Welders Supply. In all cases, the materials are competitively priced. William C. Sennett, Esq., Immediate Past Chairman of the Board of Trustees, Member of the Executive Committee, Member of the Committee on Budget and Finance, Member of the Committee on Buildings and Grounds, Member of the Committee on Advancement, Member of the Subcommittee on Endowments and Investments, and Member of the Committee on Academic Affairs. Mr. Sennett is a retired senior partner in the Knox, McLaughlin, Gornall & Sennett, PC law firm, which serves as the College's primary legal counsel. Currently, Mr. Sennett is Of Counsel with the firm. Richard A. Lanzillo, a shareholder with the firm who is also a member of the Board of Trustees, serves as College Counsel and Board Counsel. Mr. Sennett's firm serves as bond counsel and college counsel for matters relating to the College's bond issues. Most of the legal services are billed to the College at fair market value. Mr. Sennett and Mr. Lanzillo do perform some legal work for the College on a pro-bono basis. Mary Ann Baldauf, Member of the Board of Trustees, Member of the Committee on Mission, Member of Committee of Academic Affairs. Ms Baldauf is a minority owner of the Times Publishing Company. In the normal course of business, the College often places advertisements in the Erie Times and works with the Erie Times staff on a variety of articles of interest to the Erie community. Advertisements are competitively priced. The newspaper also prints the schools newspaper, the Merriad, and often prints programs which are distributed on campus. Mary Ellen Dahlkemper, Member of the Board of Trustees, Chair of the Committee on Academic Affairs and member of Subcommittee on Development, Mission Ms. Dahlkemper's Company provides employee-assisted programs to the college and mental health services at Mercyhurst College. Also company assists college's counseling center when students with serious mental illness need medication or psychiatric services. Richard A. Lanzillo, Esq., Member of the Board of Trustees, Member of the Executive Committee, Member of the Committee on Academic Affairs, Member of the Committee on Budget and Finance, Member of the Committee on Audit and Member of the Ad Hoc Committee on Sponsorship. College and Board Counsel Mr. Lanzillo is a shareholder with Knox McLaughlin Gornall & Sennett, PC. Please see narrative under William C. Sennett, Immediate Past Chairman of the Board of Trustees for relationship. F. Brady Louis, Member of the Board of Trustees, Chair of the President's Associates, on leave. Mr. Louis holds a part-time administrative position at Mercyhurst West, where he is involved in identifying fundraising opportunities associated with the college's West Campus, among other responsibilities. Michael Malpiedi, Member of the Board of Trustees, President, Mercyhurst Alumni Association, Vice Chair of the Committee on Student Life. Mr. Malpiedi is General Sales Manager Connoisseur Media. The College purchases radio advertising through a third party advertising firm, Engel & O'Neill. Management is not aware of any business conflict with Mr. Malpiedi. Robert Mazza, Member of the Board of Trustees, Member of the Committee on Buildings and Grounds. Mr. Mazza owns Robert Mazza, Inc., which owns grape vineyards and a winery in North East, PA. The College purchases wine from Mr. Mazza's company. On occasion, Mr. Mazza donates wine to the College for certain college sponsored events. Owen J. McCormick, Member of the Board of Trustees, Member of the Executive Committee, Chair of the Committee on Buildings and Grounds, Member of the Committee on Budget and Finance, and Member of the Committee on Trustees. Mr. McCormick is President

2c

Same information as question 2b.

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Question: 3c

MERCYHURST COLLEGE
25-0965430

Explanation of organization receiving or holding a conservation easement

Explanation

Mercyhurst College has provided an easement to the PA Fish and Boat Commission to allow access to College property for the purposes of public fishing, boating, and fishery along with riparin buffer management rights.

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Question: 3a

MERCYHURST COLLEGE
25-0965430

Explanation of Grant Determination

Explanation of grant qualifications

The College provides specific aid to undergraduate and graduate students. This aid is awarded to students in the form of wages, grants, scholarships, assistantships, and loans.

The College provides specific aid to undergraduate and graduate students. This aid is awarded to students in the form of wages, grants, scholarships, assistantships, and loans.

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MERCYHURST COLLEGE
25-0965430

Publicize Racially Nondiscriminatory Policy

Explanation/Description

The College practice is to print our racial nondiscrimination policy in all publications directed at students, prospective students, and parents. The policy is also referred to in radio, television, and print advertising as well as being fully disclosed on the College website.

The College practice is to print our racial nondiscrimination policy in all publications directed at students, prospective students, and parents. The policy is also referred to in radio, television, and print advertising as well as being fully disclosed on the College website.

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MERCYHURST COLLEGE
25-0965430

Financial Assistance

Explanation

The College receives an Institutional Assistance Grant from the Pennsylvania Higher Education Assistance Agency (PHEAA). This aid is determined by the number of Pennsylvania state grant recipients enrolled at the College during the current academic year.