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CISYCXJ 963

Form 990-PF

Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No. 1545-0052

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements.

0612  
2006Department of the Treasury  
Internal Revenue Service

For calendar year 2006, or tax year beginning , 2006, and ending

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>TLC FOUNDATION</b>	A Employer identification number <b>38-3624956</b>
	Number and street (or P.O. box number if mail is not delivered to street address) <b>48384 FORBES</b>	B Telephone number (see instructions) <b>(586) 855-7182</b>
City or town <b>CHESTERFIELD</b>	State ZIP code <b>MI 48047-3948</b>	C If exemption application is pending, check here ► <input type="checkbox"/>

H Check type of organization:	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation	<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust	<input type="checkbox"/> Other taxable private foundation
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I Fair market value of all assets at end of year (from Part II, column (c), line 16)	J Accounting method:	<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Accrual
► \$ 2,193,824. (Part I, column (d) must be on cash basis.)			

<b>Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)</b>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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REVENUE	1 Contributions, gifts, grants, etc. received (alt sch)				
	2 <input checked="" type="checkbox"/> If the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments .....				
	4 Dividends and interest from securities .....	126,335.	126,335.	126,335.	
	5a Gross rents .....				
	b Net rental income or (loss) .....				
	6a Net gain/(loss) from sale of assets not on line 10 .....				
	b Gross sales price for all assets on line 6a .....				
	7 Capital gain net income (from Part IV, line 2) .....		0.		
	8 Net short-term capital gain .....				
	9 Income modifications .....				
	10a Gross sales less returns and allowances .....				
b Less: Cost of goods sold .....					
c Gross profit/(loss) (alt sch) .....					
11 Other income (attach schedule) .....					
Other Income	1,406.	1,406.			
12 Total. Add lines 1 through 11 .....	127,741.	127,741.	126,335.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages .....				
	15 Pension plans, employee benefits .....				
	16a Legal fees (attach schedule) .....	2,547.	2,545.		
	b Accounting fees (attach sch) .....	1,000.	1,000.		
	c Other prof fees (attach sch) .....				
	17 Interest .....				
	18 Taxes (attach schedule) .....				
	19 Depreciation (attach schedule) and depletion .....				
	20 Occupancy .....				
	21 Travel, conferences, and meetings .....				
	22 Printing and publications .....				
	23 Other expenses (attach schedule)				
	Postage, office expenses	25.	25.		
24 Total operating and administrative expenses. Add lines 13 through 23 .....	3,572.	3,570.			
25 Contributions, gifts, grants paid .....	234,143.				
26 Total expenses and disbursements. Add lines 24 and 25 .....	237,715.	3,570.	234,143.		
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements .....	-109,974.				
b Net investment income (if negative, enter -0-) .....		124,171.			
c Adjusted net income (if negative, enter -0-) .....			126,335.		

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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments		55,942.	163,624.	163,624.
	3 Accounts receivable				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach sch) ►				
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations (attach schedule)				
	b Investments -- corporate stock (attach schedule)				
	c Investments -- corporate bonds (attach schedule) L-10c. Stmt	2,303,183.	2,080,276.	1,982,200.	
	11 Investments - land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule) ►					
12 Investments - mortgage loans					
13 Investments - other (attach schedule) L-13. Stmt	48,000.	48,000.	48,000.		
14 Land, buildings, and equipment: basis					
Less: accumulated depreciation (attach schedule) ►					
15 Other assets (describe) ►					
16 Total assets (to be completed by all filers - see instructions. Also, see page 1, item 1) ....	2,407,125.	2,291,900.	2,193,824.		
LIABILITIES	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, & other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe) ►				
	23 Total liabilities (add lines 17 through 22) ....				
	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	N F 24 Unrestricted	2,407,125.	2,291,900.		
	E U 25 Temporarily restricted				
	T N 26 Permanently restricted				
	A S Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.				
	B S 27 Capital stock, trust principal, or current funds				
	S A 28 Paid-in or capital surplus, or land, building, and equipment fund				
	O E 29 Retained earnings, accumulated income, endowment, or other funds				
	R S 30 Total net assets or fund balances (see instructions)	2,407,125.	2,291,900.		
31 Total liabilities and net assets/fund balances (see instructions)	2,407,125.	2,291,900.			

## Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,407,125.
2 Enter amount from Part I, line 27a	2	-109,974.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	2,297,151.
5 Decreases not included in line 2 (itemize) ► Net Capital Loss	5	5,251.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,291,900.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	62,000 GMAC NOTES 5.75% due 10/15/06	P	12/19/02	10/16/06
b	50,000 First Data Corp Sr NT 5.625% due 11/1/11	P	12/22/05	12/07/06
c	100,000 Amer Finl Group Inc Ohio 7.125% due 4/15/09	P	06/09/03	03/09/06
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 62,000		63,331.	-1,331.	
b 51,711.		51,479.	232.	
c 103,946.		108,098.	-4,152.	
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))
(f) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any		
a			-1,331.	
b			232.	
c			-4,152.	
d				
e				
2 Capital gain net income or (net capital loss). <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>			2	-5,251.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8</span>			3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2005	163,351.	2,271,131.	0.071925
2004	94,508.	2,502,203.	0.037770
2003	311,932.	4,907,654.	0.063560
2002	271,421.	4,851,441.	0.055946
2001			
2 Total of line 1, column (d)			2 0.229201
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.057300
4 Enter the net value of noncharitable-use assets for 2006 from Part X, line 5			4 2,156,464.
5 Multiply line 4 by line 3			5 123,565.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,242.
7 Add lines 5 and 6			7 124,807.
8 Enter qualifying distributions from Part XII, line 4			8 234,143.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)**

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1.	
Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)	
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b .....	1 1,242.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b) .....	
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) .....	2 0.
3 Add lines 1 and 2 .....	3 1,242.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) .....	4 0.
5 Tax based on Investment income. Subtract line 4 from line 3. If zero or less, enter -0- .....	5 1,242.
<b>6 Credits/Payments:</b>	
a 2006 estimated tax pmts and 2005 overpayment credited to 2006 .....	6a
b Exempt foreign organizations – tax withheld at source .....	6b
c Tax paid with application for extension of time to file (Form 8868) .....	6c
d Backup withholding erroneously withheld .....	6d
7 Total credits and payments. Add lines 6a through 6d .....	7
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached .....	8 74.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed .....	9 1,316.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid .....	10
11 Enter the amount of line 10 to be Credited to 2007 estimated tax .....	11 Refunded

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? .....	1a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? .....	1b	X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year? .....	1c	X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation .....	1d	\$ _____
(2) On foundation managers .....	1d	\$ _____
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers .....	1e	\$ _____
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? .....	2	X
If 'Yes,' attach a detailed description of the activities.		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes .....	3	X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year? .....	4a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year? .....	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? .....	5	X
If 'Yes,' attach the statement required by General Instruction T.		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or	6	X
• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? .....	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV .....	7	X
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) .....	8a	MICHIGAN
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation .....	8b	X
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2006 or the taxable year beginning in 2006 (see instructions for Part XIV)? If 'Yes,' complete Part XIV .....	9	X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses. .....	10	X

Part VII-A Statements Regarding Activities *Continued*

11 a At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule. (see instructions) .....	11a	X
b If 'Yes', did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, an annuities described in the attachment for line 11a? .....	11b	X
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract? .....	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? .....	13	X
Website address .....	► N/A	
14 The books are in care of ► <u>ANTHONY CALLIEA</u> Telephone no. ► <u>(586) 855-7182</u> Located at ► <u>48384 FORBES, CHESTERFIELD, MI</u> ZIP + 4 ► <u>48047</u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year .....	► 15	□

## Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? .....	1b	
Organizations relying on a current notice regarding disaster assistance check here .....	► <input type="checkbox"/>	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2006? .....	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If 'Yes,' list the years ► <u>20__ , 20__ , 20__ , 20__</u> .....		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see instructions.) .....	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► <u>20__ , 20__ , 20__ , 20__</u> .....		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? .....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If 'Yes,' did it have excess business holdings in 2006 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2006.) .....	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? .....	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2006? .....	4b	X

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## Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required Continued

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e)) .....  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? .....  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes? .....  Yes  No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) .....  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? .....  Yes  No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? .....  Yes  No

Organizations relying on a current notice regarding disaster assistance check here .....  Yes  No

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? .....  Yes  No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? .....  Yes  No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .....  Yes  No

If you answered 'Yes' to 6b, also file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? .....  Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? .....  Yes  No

## Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Anthony CALLIEA 48384 Forbes, Chesterfield, MI 48047	DIRECTOR	.2	0.	0.
-----				
-----				
-----				
-----				
-----				

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If 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 and deferred compensation	(e) Expense account, other allowances
N/A				
-----				
-----				
-----				
-----				
-----				

Total number of other employees paid over \$50,000 .....  Yes  No

None

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**Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors Continued**

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		

Total number of others receiving over \$50,000 for professional services ..... ► None

**Part IX-A | Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	0.
2	
3	
4	

**Part IX-B | Summary of Program-Related Investments (see instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1	
2	
3	
Total. Add lines 1 through 3	

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a Average monthly fair market value of securities .....	1a	2,039,264.
b Average of monthly cash balances .....	1b	102,040.
c Fair market value of all other assets (see instructions) .....	1c	48,000.
d Total (add lines 1a, b, and c) .....	1d	2,189,304.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) .....	1e	
2 Acquisition indebtedness applicable to line 1 assets .....	2	0.
3 Subtract line 2 from line 1d .....	3	2,189,304.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions) .....	4	32,840.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 .....	5	2,156,464.
6 Minimum investment return. Enter 5% of line 5 .....	6	107,823.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1 Minimum investment return from Part X, line 6 .....	1	107,823.
2a Tax on investment income for 2006 from Part VI, line 5 .....	2a	1,242.
b Income tax for 2006. (This does not include the tax from Part VI.) .....	2b	
c Add lines 2a and 2b .....	2c	1,242.
3 Distributable amount before adjustments. Subtract line 2c from line 1 .....	3	106,581.
4 Recoveries of amounts treated as qualifying distributions .....	4	
5 Add lines 3 and 4 .....	5	106,581.
6 Deduction from distributable amount (see instructions) .....	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 .....	7	106,581.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26 .....	1a	234,143.
b Program-related investments – total from Part IX-B .....	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes .....	2	0.
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required) .....	3a	0.
b Cash distribution test (attach the required schedule) .....	3b	0.
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 .....	4	234,143.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) .....	5	1,242.
6 Adjusted qualifying distributions. Subtract line 5 from line 4 .....	6	232,901.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income (see instructions)**

	(a) Corpus	(b) Years prior to 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7 .....				106,581.
2 Undistributed income, if any, as of the end of 2005:				
a Enter amount for 2005 only .....				0.
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2006:				
a From 2001 .....	0.			
b From 2002 .....	0.			
c From 2003 .....	0.			
d From 2004 .....	0.			
e From 2005 .....	124,369.			
f Total of lines 3a through e .....	124,369.			
4 Qualifying distributions for 2006 from Part XII, line 4. ► \$ 234,143.				
a Applied to 2005, but not more than line 2a .....				
b Applied to undistributed income of prior years (Election required - see instructions) .....				
c Treated as distributions out of corpus (Election required - see instructions) .....				
d Applied to 2006 distributable amount .....				
e Remaining amount distributed out of corpus .....	234,143.			
5 Excess distributions carryover applied to 2006 (If an amount appears in column (d), the same amount must be shown in column (a).)	106,581.			106,581.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 .....	251,931.			
b Prior years' undistributed income. Subtract line 4b from line 2b .....		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed .....				
d Subtract line 6c from line 6b. Taxable amount - see instructions .....		0.		
e Undistributed income for 2005. Subtract line 4a from line 2a. Taxable amount - see instructions .....			0.	
f Undistributed income for 2006. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2007 .....				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions) .....				
8 Excess distributions carryover from 2001 not applied on line 5 or line 7 (see instructions) .....		0.		
9 Excess distributions carryover to 2007. Subtract lines 7 and 8 from line 6a .....	251,931.			
10 Analysis of line 9:				
a Excess from 2002 .....	0.			
b Excess from 2003 .....	0.			
c Excess from 2004 .....	0.			
d Excess from 2005 .....	17,788.			
e Excess from 2006 .....	234,143.			



## Part XV | Supplementary Information (continued)

## 3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
Blue Water Stars Hockey Association 4150 Dove Rd, Port Huron, MI 48060	None	501(c) (3)	General Support	100,000.
reed Academy, Inc 85 Summit Ave, Garfield, NJ 07026	None	501(c) 3	General Support	20,000.
MI Dyslexia 532 East Shiawassee St, Lansing, MI 48915	None	501(c) 3	General Support	2,000.
Douglas Dobney 1025 Joanwood Dr, Marysville, MI 48040	None	None	College Scholarship	10,000.
James Huff 47575 Dequinder, Rochester Hills, MI 48307	None	None	College Scholarship	11,143.
Kevin Oles 720 5th St, Marysville, MI 48040	None	None	College Scholarship	10,000.
Kyle Rhody 6574 Conlan Dr., Jedd MI 48032	None	None	College Scholarship	10,000.
Richard Saidlowski 309 S 7th St, St Clair, MI 48079	None	None	College Scholarship	31,000.
Flint Phantoms Hockey 7963 Brookwood, Clarkston, MI 48348	None	501(c) 3	General Funding	40,000.
<b>Total</b>				234,143.
<i>b Approved for future payment</i>				
<b>Total</b>				3b

## Part XVI-A | Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies .....					
2 Membership dues and assessments .....					
3 Interest on savings and temporary cash investments .....					
4 Dividends and interest from securities .....				14	126,335.
5 Net rental income or (loss) from real estate:					
a Debt-financed property .....					
b Not debt-financed property .....					
6 Net rental income or (loss) from personal property .....					
7 Other investment income .....					
8 Gain or (loss) from sales of assets other than inventory .....					
9 Net income or (loss) from special events .....					
10 Gross profit or (loss) from sales of inventory .....					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e) .....				126,335.	
13 Total. Add line 12, columns (b), (d), and (e) .....				13	126,335.

(See worksheet in the instructions for line 13 to verify calculations.)

**Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

**Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash .....

**b Other transactions:**

(2) Purchases of assets from a noncharitable exempt organization .....

(3) Rental of facilities, equipment, or other assets ..... 1 b (3) X

(4) Reimbursement arrangements .....

(5) Loans or loan guarantees .. . . . . 1 b (5) X

(6) Performance of services or membership or fundraising solicitations . . . . . 1b(6) X

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . .

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

**b** If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

Signature of officer or trustee <i>Christopher Callahan</i>		Date	Title	
Paid Pre- parer's Use Only	Preparer's signature ► <i>Kenneth D. Warnick</i> Firm's name (or yours if self- employed), address, and ZIP code ► <b>KIMBERLY ANDERSON</b> <b>3001 W. BIG BEAVER SUITE 324</b> <b>TROY MI 48084</b>	Date 09/21/07    	Check if self- employed ► <input checked="" type="checkbox"/> <b>381-740747</b>	Preparer's SSN or PTIN (See Signature in the instrs)
		EIN ►		Phone no. ►

Form 990-PF, Page 2, Part II, Line 10c  
L-10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
See Statement One Attached	2,080,276.	1,982,200.
Total	2,080,276.	1,982,200.

Form 990-PF, Page 2, Part II, Line 13  
L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
Real Estate Owned	48,000.	48,000.
Total	48,000.	48,000.

## Page 2 - Part II - Line 10c - Investments - corporate bonds

## STATEMENT ONE

Description	Qty	Book Value	Fair Mkt Value
DU PONT E I DE NEMOURS & CO MEDIUM TERM NTS 4.125% 03/06/13	50,000	53,002	46,804
MAYTAG CORP 5% DUE 5/15/2015	50,000	49,637	47,185
MORGAN STANLEY 4.75% DUE 3/30/2014	100,000	99,439	93,950
GENERAL ELEC CO DEB 5.000% 02/01/13 B/E DTD 01/28/03 N/C	50,000	52,265	49,396
HOUSEHOLD FIN CORP NT 4.750% 07/15/13 B/E DTD 07/21/03 CLB CALLABLE	50,000	50,350	48,325
GENERAL MTRS ACCEP CORP SR NT 7.000% 02/01/12	13,000	13,632	13,412
ANHEUSER BUSCH COS DEB 4.375% 01/15/13 B/E DTD 10/16/02 CLB CALLABLE	75,000	81,951	71,083
SEARS ROEBUCK ACCEP CORP NT 6.700% 04/15/12	50,000	50,462	49,877
GENERAL ELEC CO DEB 5.000% 02/01/13 B/E DTD 01/28/03 N/C	100,000	102,506	98,939
SEARS ROEBUCK ACCEP CORP INTERNOTES 7.500% 12/15/12	100,000	115,085	99,388
FORD MTR CR CO NT 5.800% 01/12/09 B/E DTD 01/12/99 CLB CALLABLE	125,000	118,816	121,015
GENERAL MTRS ACCEP CORP 6.000% 04/01/11 REG DTD 04/01/81 CLB CALLABLE	125,000	125,494	123,906
INTERNATIONAL PAPER CO DEB 5.125% 11/15/12 REG	200,000	201,552	194,876
GENERAL MTRS ACCEP CORP SMARTNOTES 5.375% 07/15/07	25,000	24,937	24,817
TRANSAMERICA FIN CORP SR NTS 6.400% 09/15/08 B/EDTD 11/18/98 CLB	242,000	262,992	245,978
FORD MTR CO DEL NT 7.250% 10/01/08 B/E DTD 10/02/96 N/C	100,000	99,438	100,750
GENERAL MTRS ACCEP CORP SMARTNOTES TRANCHE # TR 00374 6.250% 09/15/08 B.	100,000	103,695	97,986
FORD MTR CR CO CONTINUOUSLY OFFERED BDS RETAIL TRANCHE # TR 00598 6.600	100,000	94,123	98,399
TRIBUNE CO NEW NT 4.875% 08/15/10 B/E DTD 08/15/05 CLB CALLABLE	100,000	101,371	94,865
DELUXE CORP NT 5.000% 12/15/12 B/E DTD 12/09/02 CLB CALLABLE	30,000	30,195	26,025
DELUXE CORP NT 5.125% 10/01/14 B/E DTD 09/30/04 CLB CALLABLE	45,000	45,306	37,575
ALTRIA GROUP INC NT 7.000% 11/04/13 B/E DTD 11/04/03 N/C	45,000	51,648	48,893
FEDERAL NATL MTG ASSN MEDIUM TERM NTS 5.000% 04/10/15 B/E DTD 10/11/02 CLB	50,000	51,046	48,516
GENERAL MTRS ACCEP CORP SMARTNOTES TRANCHE # TR 00484 6.000% 03/15/07 B.	50,000	49,453	49,945
NEW ENGLAND TEL & TELECO NT 5.875% 04/15/09 B/E DTD 04/19/99 CLB CALLABLE	50,000	51,879	50,295
<b>Totals</b>		<b>2,080,276</b>	<b>1,982,200</b>

Supporting Statement of:

Form 990-PF, p1/Line 16a (a)

Description	Amount
<u>Legal fees - Research for funding of hockey arena on university property</u>	<u>2,547.</u>
Total	<u>2,547.</u>

Supporting Statement of:

Form 990-PF, p1/Line 16b (a)

Description	Amount
<u>Tax and accounting fees</u>	<u>1,000.</u>
Total	<u>1,000.</u>